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THE EMERGENCY VIETNAM VETERANS JOBS TRAINING ACT OF 1983

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

FIRST SESSION

APRIL 19, 1983

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THE EMERGENCY VIETNAM VETERANS JOBS TRAINING ACT OF 1983

TUESDAY, APRIL 19, 1983

House of Representatives,
Committee on Veterans' Affairs,
Subcommittee on Education, Training and Employment,
Washington, D.C.

The committee met, pursuant to notice, at 9:30 a.m., in room 334, Cannon House Office Building, Hon. Marvin Leath (chairman of the subcommittee) presiding.

Present: Representatives Leath, Evans, Richardson, and Smith of Oregon.

Also present: G. V. (Sonny) Montgomery, ex officio, chairman of the full committee.

OPENING STATEMENT OF CHAIRMAN LEATH

Mr. Leath. The subcommittee will come to order.

Today we're continuing the hearing that began on February 23, 1983 when the subcommittee held an oversight hearing on unemployment problems facing veterans.

In response to that hearing I introduced H.R. 2355,[1] the Emergency Vietnam Veterans Job Training Act of 1983 which authorizes a 2-year emergency Vietnam veterans job training program.

H.R. 2355 is not intended to be a cure-all for the problems facing the more than 800,000 Vietnam and disabled veterans who are currently unemployed. It will, however, if enacted and fully implemented, authorize jobs training for as many as 100,000 of these veterans.

Most of the witnesses today appeared before the subcommittee on February 23 at which time all agreed that a priority issue in the veterans' community is to reduce the high unemployment rate among veterans. I can assure you that this subcommittee will continue to act as expeditiously as possible to recommend legislation which will help provide job training for long-term unemployed veterans.

We're again privileged today to have as our first witness Miss Dorothy Starbuck, the Chief Benefits Director of the Veterans' Administration, who will be accompanied by her staff.

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[1] See p. 37.

STATEMENT OF MISS DOROTHY L. STARBUCK, CHIEF BENEFITS DIRECTOR, VETERANS' ADMINISTRATION, ACCOMPANIED BY JAMES P. KANE, ASSISTANT GENERAL COUNSEL; CHARLES L. DOLLARHIDE, DIRECTOR, EDUCATION SERVICE; AND DR. STEPHEN L. LEMONS, DIRECTOR, VOCATIONAL REHABILITATION AND COUNSELING SERVICE

Miss STARBUCK. Good morning, Mr. Chairman.

Mr. LEATH. Good morning again, Miss Starbuck. This is getting to be a habit, isn't it?

Miss STARBUCK. We're going to have to stop seeing each other like this.

Mr. LEATH. Well, we're always delighted to have you here and hear what you have to say, so knowing the committee rules, you may proceed as you would like and, of course, your entire statement will be included in the record.

Miss STARBUCK. Thank you, Mr. Chairman. We appreciate very much the opportunity to provide you with the views of the Veterans' Administration on H.R. 2355.

This program, designed, as you stated, to assist eligible veterans in obtaining employment through on the job training which would provide significant training opportunities for them.

Mr. Chairman, the Administration opposes the enactment of any jobs bill specifically for veterans. We would point out that Public Law 98-8, the comprehensive jobs bill, which was recently enacted into law, taking a substantial sum of our Nation's budget for providing jobs for the general population, should be given an opportunity to work.

We would emphasize that since the enactment of Public Law 96-466 in 1980 the Veterans' Administration has been given the authority to directly place in jobs those veterans who have trained under our vocational rehabilitation program. We believe that many of the disabled veterans who would be included in the provisions of H.R. 2355 could be assisted through this very important VA program.

Based upon this fairly recent authority, a major responsibility of the VA is the development, for each veteran in training, of a comprehensive plan known as an individual employment assistance plan which identifies specific services and benefits which the veteran may receive during an employment assistance period of up to 18 months.

Approximately 4,000 such individual employment assistance plans have been prepared during fiscal year 1982. Veterans who train under our vocational rehabilitation program also have available to them a variety of services in addition to the jobs placement aid. These include medical services, supplies needed by the veteran to begin employment, assistance in obtaining licensure when needed, and on the job training, during which time veterans receive a subsistence allowance from the VA.

Last summer the VA and the Department of Labor entered into a comprehensive agreement covering coordination between the two agencies in providing employment assistance not only for our vocational rehabilitation trainees but for other veterans as well. Under this agreement we work with the State Employment Service

Agency, including close coordination with the Disabled Veterans Outreach Program.

The Department of Labor also has current authority under chapters 41 and 42 of title 38 to assist veterans in job placement and training. Special emphasis is given to disabled and Vietnam-era veterans.

With the availability of assistance under the comprehensive jobs bill just getting underway, the job placement authority we have under our vocational rehabilitation program, the on-the-job and apprentice training programs we offer under the GI bill, and dependents programs, and the coordination which we have with the Department of Labor in these many areas, it is the Administration's view that a special jobs training program for veterans is not needed at this time.

Mr. Chairman, that completes my statement. We will be pleased to respond to any questions which you or members of the committee may pose.

[The prepared statement of Miss Starbuck appears on p. 54.]

Mr. LEATH. Thank you, Dorothy. I know that OMB wrote that speech. You didn't write that. But we understand that you have to do that.

But regardless of what the Administration position might be at this point, if the Congress, in its infinite wisdom, as I believe it will, will pass H.R. 2355 or some similar proposal, in your judgment can VA handle the administration of the bill?

Miss STARBUCK. We could handle the administration of the bill but not without additional employment, sir.

Mr. LEATH. Do you foresee any particular problems except the probability that we would most certainly need some additional people?

Miss STARBUCK. Well, having looked very closely at the bill, there are a couple of things that we would like to discuss. One is the proposed limitation of $25 million for training in institutions of learning and also the limitation of a training period on a nondisabled veteran for 6 months and the allowance of 12 months for a disabled veteran.

Our experience in job training programs has been that a minimum of 6 months should be taken in any training effort but that the period can extend to as much as 18 months and, in some rare instances, for a 2-year period. I know that that is not intended here but I think if we were to say we would limit it only to 6 months with perhaps a rare extension for an individual, we would be putting individuals somewhat unprepared in a job milieu.

Mr. LEATH. You would like to see the $25 million limitation for institutional-type training increased, is that what you said?

Miss STARBUCK. Well, it would either need to be increased or just not be identified as a separate training amount of money and let the individual and the Veterans' Administration enter him in what would be the better training milieu for him.

We know that there are many industries who have agreements with junior colleges where training is actually conducted for input to their companies, and this is as opposed to an on-the-job training situation.

Mr. **Leath**. That's a good point. I tend to agree with that. We'll certainly take a closer look at that. But what you're saying is if we just didn't differentiate by categorizing the funds and use the money in the best method possible to accomplish the goal it might be better?

Miss **Starbuck**. That would be our thought on it.

There was one other point and that was the provision in the bill dealing with the reimbursement for the removal of architectural barriers. We couldn't quite decide whether that money was to be within the one-half of the salary paid to the veteran by the employer, which would be reimbursed to the trainer, or whether that was a separate fund.

Since there are requirements placed by current law on individuals to make reasonable accommodation for those who are handicapped, we feel there should certainly be a limit on any amount of money that would be paid to an employer to remove architectural barriers.

Mr. **Leath**. I think we could clarify that, probably, in the report language without any problem.

Now, on the training periods, are you saying that you would like more flexibility from that standpoint also rather than a rigid limitation of 6 and 12 months?

Miss **Starbuck**. Yes, sir. I think it's good to have a minimum of 6 months but we should be able to float to perhaps an 18-month period.

Mr. **Leath**. That determination being made by the VA on a case-by-case basis?

Miss **Starbuck**. Yes, sir; depending upon the training into which the individual goes.

Mr. **Leath**. How long would it take to approve a training program under the provisions of this bill, or perhaps to say it another way, how long does it take for a veteran to be approved for an on-the-job training program under the current GI bill?

Miss **Starbuck**. We currently have in our inventory, and Steve, check me if I'm right on this, or Lou, about 2,500—is that right—25,000 on-the-job training positions which are approved. If an individual elects to go into one of those training programs, of course, since the position is approved, the entry would be almost automatic.

The requirements of the bill as it is written are that we establish application forms and certification forms for both the veteran and the trainer and an agreement to be struck between the trainer and the trainee. There is required, therefore, some administrative leadtime that would run probably 4 months.

The requirement that training be rather closely monitored is a good one but, nevertheless, is a labor intensive requirement on the administering agency.

It would appear to be, perhaps, more reasonable, if this legislation is passed, that the administering agency be provided leadtime and that the first entry under this program be on October 1.

Mr. **Leath**. Under the terms of H.R. 2355, what role would you anticipate the Assistant Secretary for Veterans Employment to have?

Miss STARBUCK. I would anticipate that he would be in a position to provide to the agency listings of institutions or companies where employment is a real possibility and where training facilities are adequate, in addition to which, of course, he would have information upon which we could make outreach to individual veterans who are currently unemployed and probably drawing unemployment compensation.

Mr. LEATH. What percentage of veterans complete VA on-the-job training and are placed in jobs related to that training? Do you have any idea of that?

Miss STARBUCK. Mr. Lou Dollarhide has that information.

Mr. DOLLARHIDE. In a recent study that the VA did, Mr. Chairman, the jobs programs showed the highest percentage of completion of all types of training. My recollection is that it was about 67 percent.

Mr. LEATH. The VA indicates that there are over 10,000 veterans taking on-the-job training as of February 1983. In addition, the VA indicates that there are almost 7,500 active, on-the-job training establishments that have been approved for the training of these veterans. Don't you think this is a particularly good background for administering the on-the-job training portion of the program as contemplated by H.R. 2355, and of course, in addition to that, the long history of the VA in administering the GI bill from the standpoint of training in vocational institutions or educational institutions?

Miss STARBUCK. Well, we certainly feel that our experience over the years has given us a good handle on the market and that we have always tried to be exceedingly careful about on-the-job training sites to give ourselves the assurance that this is not just make-do work but is actually going to lead to a trained individual in a job that is something that he wants and that is a profitable one.

Mr. LEATH. Do you see any role for the State approving agencies under the terms of the bill and do you plan to use the State approving agencies or will the VA do its own approvals as provided in the bill?

Miss STARBUCK. It would be my inclination to have the Veterans' Administration do the approval, sir. I think that the requirements for meeting a job at the end of the training period and the requirements for monitoring would be incumbent on the Veterans' Administration to do.

Mr. LEATH. You referred to Public Law 98-8, the Emergency Appropriations Act of 1983. Has any estimate been made on how many veterans might benefit by the funds appropriated as the result of this new law? I recall that the VA was authorized $75 million for maintenance and repairs for its medical facilities, but no specific jobs are earmarked for veterans in the new law. Is that a correct assumption?

Miss STARBUCK. That assumption is correct, sir.

Mr. LEATH. OK.

Miss STARBUCK. Under the provisions of section 2012 of title 38, Federal contractors entering into contracts for $10,000 or more with any Federal department or agency are required to take affirmative action to employ disabled and Vietnam-era veterans. We contemplate taking a sample to determine the number of veterans who have been employed by Federal contractors to provide maintenance and repair work in our hospitals in conjunction with the VA portion of the new, comprehensive jobs program recently enacted in Public Law 98-8.

Mr. **Leath**. Has the VA ever utilized the authority that is available to it under section 1516 of title 38, U.S. Code, to make payment to employers for providing on-the-job training to the disabled veterans who qualified for employment under the VA's vocational rehabilitation program?

Miss **Starbuck**. No, we have not, sir.

Mr. **Leath**. I would like to introduce in the record, without objection, the opening statement of our colleague, Mr. Solomon, who was unable to be here this morning.

[The statement follows:]

OPENING STATEMENT OF HON. GERALD B. SOLOMON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

I am pleased this morning to receive testimony on H.R. 2355, the Emergency Vietnam Veterans' Job Training Act, legislation I have joined with our distinguished chairman in introducing. Unemployment is a problem of particularly severe dimensions for our Vietnam veterans and those disabled as a result of service during the Vietnam era. Repeated efforts by members of this committee as well as attempts by our veterans' service organizations to impress upon other authorizing committees of the house the scope of veterans' employment problems have largely fallen on deaf ears. As a result, we are here this morning to discuss our own rather modest proposal for beginning to deal with this problem.

H.R. 2355 is not an all-ecompassing, massive approach to the creation of yet another bureaucratic entity. Rather, it utilizes existing VA programs and staff to quickly provide Vietnam and disabled veterans with marketable job skills through on the job training. The cost of H.R. 2355 is modest, especially when viewed against the multi-billion dollar price tags which have accompanied the other jobs bills approved by the Congress in recent months. Yet it is a very workable program, capable of immediate implementation and quick results.

I am pleased that we have developed such a workable proposal, and I Look forward to the suggestions and recommendations our distinguished witnesses may offer here this morning.

Mr. **Leath**. Miss Starbuck, we will include your statement in the record.

We are happy to welcome my friend from Oregon, Mr. Smith, and would yield to him at this point if he has any questions for the witness.

Mr. **Smith** of Oregon. Thank you, Mr. Chairman.

I'm curious. Do you feel that if the State agencies were involved, Miss Starbuck, on the approval of this program, that it would hinder the program a great deal in really trying to get to the veteran? In other words, are we putting in another level of administrative cost?

Miss **Starbuck**. It would be another level and, in addition to that, our past experience has indicated to us that perhaps the State approval agency would approve an on-the-job training situation in which the possibilities for future employment might not be as hopeful as what I would envision this bill would call for.

Mr. **Smith** of Oregon. OK. Thank you. I yield back my time to the chairman.

Mr. **Leath**. I recognize the gentleman from Illinois, Mr. Evans. Do you have any questions?

Mr. **Evans**. No questions.

Mr. LEATH. No questions at this point.

Thank you, Miss Starbuck.

Miss STARBUCK. Thank you, Mr. Chairman.

Mr. LEATH. You did an outstanding job and we appreciate you very much.

Miss STARBUCK. Thank you, sir.

Mr. LEATH. Our next witness will be Mr. Bill Plowden, Jr., Assistant Secretary for Veterans Employment of the Department of Labor, accompanied by Mr. Donald Shasteen. Bill, we're delighted to welcome you again before the subcommittee.

You may present your testimony in summary if you'd like and we'll include the entire statement in the record.

STATEMENT OF WILLIAM C. PLOWDEN, JR., ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT, U.S. DEPARTMENT OF LABOR, ACCOMPANIED BY DONALD E. SHASTEEN, DEPUTY ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT

Mr. PLOWDEN. Thank you, Mr. Chairman.

Mr. Chairman and members of the subcommittee, I am pleased to have the opportunity to present our views on H.R. 2355, which would establish an emergency program of job training assistance for Vietnam era veterans and certain disabled veterans.

We agree with the premise of the bill that there is a significant employment problem for veterans, particularly for Vietnam era and disabled veterans, and that new and effective job training approaches for these veterans must be developed.

However, we cannot support H.R. 2355 for several reasons. We are concerned that H.R. 2355 establishes a duplication of authority which in the long run may have an adverse effect on services to veterans. The Veterans' Administration may not be immediately prepared to administer an employer reimbursement on-the-job training program.

The Department of Labor and its affiliated State employment security agencies and national employment and training network are in the training and employment business and have an established labor exchange system which provides services to employers and job-seekers.

The legal mandate of my office is to provide veterans with the maximum of employment and training opportunities through existing programs, coordination and merger of programs, and implementation of new programs.

Recently, with the passage of the Job Training Partnership Act and the Veterans Compensation Education and Employment Amendments of 1982, the Congress reaffirmed their recognition of veterans employment needs and responsibilities to meet these needs by establishing a national veterans employment program to be administered by the Department of Labor through the Office of the Assistant Secretary for Veterans Employment and Training.

We are at the point of issuing proposed rules for implementing this program. The broad authority given us to establish and implement a national veterans employment program would allow implementation of an employer reimbursement OJT program. Mr. Chairman, in conclusion let me again state that we favor increased job training and placement efforts for veterans and we are making such efforts. Our efforts are bolstered by the fact that the economy is now moving into a period of recovery that will yield new job opportunities in which veterans will share.

We have stepped up our outreach efforts, both to veterans and to employers through the resources currently available. We are in the process of allocating approximately $500,000 in additional fiscal year 1983 funds, made available to the Veterans Employment and Training Service by Secretary of Labor Raymond J. Donovan.

These funds are being used to finance special projects in high unemployment areas for two principal reasons. First, to help meet the immediate need for increased veterans employment efforts and, second, to give guidance to States as to types of projects they might finance with Job Training Partnership Act funds when those funds are made available October 1 for projects not only under title IV–C, earmarked for veterans, but also under titles II and III.

We firmly believe that the Department of Labor is the proper agency to continue to administer employment, job training, and labor exchange functions. Strong coordination with the Veterans' Administration is necessary but we cannot support establishing a duplication of functions and responsibility for employment matters.

Thank you for this opportunity and I will be pleased, Mr. Chairman, to respond to any questions that you may have.

[The prepared statement of Mr. Plowden appears on p. 57.]

Mr. **Leath**. Thank you, Bill.

Is the Department of Labor willing to fund a program which is similar to that of H.R. 2355 but would be largely administered by the Veterans Employment and Training Service?

Mr. **Plowden**. Did you say would they be willing? Yes, sir. With the necessary funds.

Mr. **Leath**. No, what I asked was would the Department of Labor be willing to fund a program such as this?

Mr. **Plowden**. They would if they had the funds, sir, if we had the required amounts.

Mr. **Leath**. Well, I don't think that's what I'm asking. What I'm asking is would the Department be willing to make a program such as this a part of its program?

Mr. **Plowden**. Yes, sir.

Mr. **Leath**. And seek those funds from the Congress?

Mr. **Plowden**. Yes, sir.

Mr. **Leath**. That's interesting.

What experience does the Department of Labor have with administering on-the-job training programs?

Mr. **Plowden**. We, the Veterans Employment and Training Service, have no real experience in that except that we have been working with the Veterans' Administration through our local veteran representatives in each State. We work very closely with the Veterans' Administration on the VA–OJT program.

Mr. **Leath**. In fiscal 1982 how many veterans were registered with local job service offices, and of these, how many found permanent full-time employment that would be possibly paying more than $5 an hour?

Mr. **Plowden**. Let me let Mr. Shasteen answer that, since he has the figures from the field, sir.

Mr. SHASTEEN. In fiscal 1982 there were a total of 1,706,387 veterans registered with the employment service, and of that number 386,892 were placed in jobs through the system that the Department of Labor operates with the employment service.

There were other services rendered to those veterans. There was a total of 1,255,076 veterans who received services of one kind or another, including placement. That represented approximately 73½ percent of the total number of veterans who were registered.

Mr. LEATH. Mr. Smith?

Mr. SMITH of Oregon. Well, the thing that we'd like to accomplish with this bill, it seems to me, and I am not a co-sponsor, but in discussing it with my colleagues, is to try to get through the maze and get to the veteran without an awful lot of administrative costs. As I look at trying to transfer the funds from the Veterans checkbook over to the Labor checkbook and then on to the employers, it looks to me like we're doing exactly the opposite thing if we would go along with what you're requesting and have the dollars go through to you people.

Mr. PLOWDEN. Sir, we have the folks out in the field to do this. We have the people. We will not have to hire any additional people to administer a program such as this. We have our DVOP's to operate with and also our LVER in the individual States, sir.

Mr. SMITH of Oregon. Do you think you're in better shape than the organization within the Veterans' Administration to handle and identify these people?

Mr. PLOWDEN. Yes, sir.

Mr. SMITH of Oregon. When somebody comes in and registers as an unemployed and is in that kind of a position, are they targeted as a veteran?

Mr. PLOWDEN. Yes, sir.

Mr. SMITH of Oregon. And then are they targeted again when they drop off the unemployment compensation roles. These are the people we're really trying to get to, the people who have served the country but who are unable, because of their lack of skills, to get a meaningful job.

Mr. PLOWDEN. Yes, sir. This is taken care of through the employment service with the assistance and aid of the local veterans representative and the DVOP that's placed in that office, yes, sir.

Mr. SMITH of Oregon. You continue to keep track of them, though, even though they're not any longer drawing benefits?

Mr. PLOWDEN. Yes, sir.

Mr. SMITH of Oregon. How do you do that?

Mr. PLOWDEN. Through the employment service, sir, and the LVER. That's one of the duties of the LVER and the DVOP in the local job service office.

Mr. SMITH of Oregon. Thank you, Mr. Chairman. I don't have any further questions.

Mr. LEATH. Mr. Evans.

Mr. EVANS. Thank you, Mr. Chairman.

You testified that you believe that you agree with the premise of the bill that there is a significant employment problem for veterans and that new and effective job training approaches for these veterans must be developed. Does that mean legislation over and beyond the Job Training Partnership Act and the amendments of 1982?

Mr. PLOWDEN. Yes, sir. We are constantly seeking ways throughout our organization to increase; and just recently we encouraged Secretary Donovan to give us additional funds, which he has supplied, approximately $500,000, to place in special areas where there is high unemployment.

Mr. EVANS. Do you feel there is a need for more legislation? Miss Dorothy Starbuck indicated that she didn't believe that the administration opposes the enactment of any jobs bill for veterans, pointing out the fact that Public Law 98-8, the comprehensive jobs bill, was recently enacted.

Do you feel there is a need for more legislation, in light of the fact that that same jobs bill has no provisions for veterans' preference in the job hiring that would go on under that bill?

Mr. PLOWDEN. We have one section of the Job Training Partnership Act in which we have a little over $9 million, allotted for veterans. And, of course, we hope to have that matched by some of the funds going to the individual States' Governors and, of course, we will be working and seeking funds from these folks to match our funds.

Mr. EVANS. That's $9 million in it?

Mr. PLOWDEN. Nine million dollars, yes, sir; a little over $9 million.

Mr. EVANS. What is that allocated specifically for?

Mr. SHASTEEN. That's title IV-C.

Mr. PLOWDEN. IV-C.

Mr. SHASTEEN. Of the Job Training Partnership Act.

Mr. EVANS. All right. But I was referring specifically to the recently passed jobs bill.

Mr. PLOWDEN. No, sir. There's nothing in that for veterans, spelled out for veterans.

Mr. EVANS. Thank you, Mr. Chairman.

Mr. LEATH. Thank you, gentlemen. We appreciate your comments.

Mr. PLOWDEN. Thank you, Mr. Chairman.

Mr. LEATH. Our next witness will be Mr. Marvin Busbee, the Legislative Director of the National Association of State Approving Agencies.

We're delighted to welcome you, Mr. Busbee, and of course, you may summarize your testimony and we will include, without objection, your complete statement in the record.

STATEMENT OF MARVIN P. BUSBEE, LEGISLATIVE DIRECTOR, NATIONAL ASSOCIATION OF STATE APPROVING AGENCIES

Mr. BUSBEE. Mr. Chairman and members of the subcommittee, the membership of the National Association of State Approving Agencies expresses our appreciation for this opportunity and privilege to appear before this subcommittee to present our views on H.R. 2355, the Emergency Vietnam Veterans Job Training Act of 1983.

In preparing this statement, we recognize that through the unescapable facts in the reporting process that references necessarily would be made which might be interpreted as controversial or condemning the actions by persons and/or groups. And I wish to state in all fairness it is not the intent nor purpose of this review to criticize unfairly any person or group of persons involved in the processing leading up to the present day function of the State approving agencies.

Mr. Chairman, as to the findings and purposes, our association agrees and supports the providing of incentives to employers to hire veterans. We are basically in support of the Administrator and the Secretary of Labor for carrying out this program, but with the additional assistance of State approving agencies.

As far as the approval process is concerned, the bill, as presently drafted, is left in the complete control of the Administrator. Now, all prior legislation for veterans and other eligible persons, has charged State approving agencies with the responsibility of the approval of the training on the job and apprenticeship and we feel that we should be authorized to function as in the past.

We feel it is extremely doubtful if the Administrator has the staff to accomplish the approval process and it is extremely doubtful if they could employ an adequate staff, to train them timely enough throughout the several States to cover the investigation necessary to determine of the criteria of the program is being met.

As you know, the criteria of this act is the same as is being presently applied by State approving agencies to the other programs under chapters 34 and 35 of title 38.

We would suggest for your consideration under the ineligible types of programs which states, "for employment in an industry in which the substantial number of experienced workers are employed within local hiring radiuses," that the words "local hiring radiuses" be added. You know, it's possible that experienced workers could be unemployed in a given industry in one section of the country and not so in another section of the country.

The portion of the bill relative to the job skills training to institutions. We suggest and recommend the performance standards should be changed from 30 percent to 60 percent of those enrolled. Of those enrolled. That's very important.

Now, this is based on a review of programs which we normally call "entry level" type programs. Which are generally 6 months' length and have found that normally at least 60 percent of those enrolled have either completed their training or have been employed in the field in which trained and/or were employed in the field in which they are being trained prior to completion.

We also suggest for your consideration that the training program, and this would be extremely difficult to get in law, but should have a job search skills assistance portion to it.

In short, what we are saying is that when we trained a person for an entry-level-type position, let's also train him how to go about getting a job in that entry level.

Relative to the information and outreach, our State approving agencies, we feel like, are better trained to inform employers of their responsibilities and their opportunities with respect to veterans and are more likely to be in closer contact with employees to encourage employment of these veterans. So, we recommend that an additional paragraph be included in the law to include State approving agencies for information and outreach purposes.

As far as the payment to veterans, we offer for your consideration two points, one of which would be to have a decreasing scale in lieu of the 50 percent all during the length of training, that some consideration be given to a reduction.

Second, that payments to the training establishments be not made until after the training program has been completed and the veteran is employed. That, we feel like, would be a major portion in seeing that they are retained in that which they have been trained instead of pushing them to one side and taking on somebody else.

Inasmuch as reimbursement of expenses is concerned, we feel like that our association, and the State approving agencies within our association, can carry out the additional approval, supervisory, and administration functions of this proposed act within the current level of funding now authorized to carry out our contractual responsibilities at the present time.

Now, to accomplish this the Administrator would only have to enter into a new contract or revise an existing contract which would authorize us to carry out the functions of this act.

I would suggest, though, some processes for the job training program. First, the State approving agency gets a request for approval from an employer or of a source. The State approving agency immediately visits this employer. He explains the law, the regulations, the guidelines, and other things, and then develops a training program, a training agreement, a wage schedule, a reimbursement schedule, if needed, a training outline, training agreement, fill out all of the VA forms, fill out all of the other forms, have a complete package, bring it back home, put it together, write a letter to the training establishment, send a copy to the VA.

The whole package is done then.

Now, the timeframe for doing this, that is making the necessary inspection, filling out the forms and so forth and so on, should be 10 days or less turnaround time. I would also suggest that a monitoring or supervisory visit be made to each active place within each 6 months.

In conclusion, I am suggesting that a provision be included that would prohibit a veteran with entitlement from enrolling in this program, possibly receiving $500 a month or some other given figure, and then at the end of that having entitlement, enrolling under the current education and training program.

This is not in writing anywhere but I noted this morning that it was stated that approximately 67 percent of the on-the-job trainees are employed—at that point in which they are in the training now.

I think maybe it is higher in that for this reason: We are probably talking about those who complete their training. Any number, and we have found this to be true over the years, prior to completion of the number of months allocated, promoted to what we call the journeyman completion wage, and have a job in which they are trained, even though they have not finally completed their training.

Mr. Chairman, this concludes my presentation. I would be glad to endeavor to respond to any questions.

[The prepared statement of Mr. Busbee appears on p. 60.]

Mr. **Leath**. Thank you, Mr. Busbee. I think you have made some good points, which we will consider as we go through the markup of this legislation.

You urge that the bill make it clearer that State approving agencies continue their role as approving establishments and institutions for training as contemplated by H.R. 2355. A complaint which is heard quite often is that it takes such a long time for an on-the-job training course to be approved. You say that if the VA were given the whole responsibility for approval of the programs for the payment of benefits it would take even longer than it does now, if I understand your statement. Is that what you are saying?

Mr. **Busbee**. I insinuated that, sir.

Mr. **Leath**. You insinuated that. Why do you think this would be the case?

Mr. **Busbee**. Well, with the expertise that the State approving agencies have had in a number of years, we have a well-qualified staff to go out and do the job. Consequently there's no question in my mind that we can do it real quick as compared to an organization that's not trained.

Mr. **Leath**. Do we have State approving organizations, agencies like this, all over the country, that you think are qualified?

Mr. **Busbee**. Yes, sir. We have a national association of State approving agencies, comprised of the State approving agencies in several States. It's some 73 approving agencies.

Mr. **Leath**. As you know, of course, this is, at least at this stage, perhaps, we would hope that it might progress beyond that if we are as successful as we think we could be with this type legislation. But at this point this is an emergency bill and, of course, time is of the essence. I think to get these veterans employed and reemployed and trained and retrained is important at any time, of course, but certainly at a time when we're hoping that the economy in general is going to have a speedy recovery.

If approved by Congress, how long would it take a State approving agency to approve a program for a veteran who is employed by an employer who is currently approved for on-the-job training programs?

Mr. **Busbee**. Well, if we had to go through the approval process, 10 days or less.

Mr. **Leath**. Ten days or less?

Mr. **Busbee** [nods affirmative].

Mr. **Leath**. How long would it take if the employer had not been previously approved for on-the-job training?

Mr. **Busbee**. The same length of time. See, the reason we are saying 10 days is to give us time to go out. It's the geographical distance, not the time that it takes. It would take longer, of course, to set up the program. But either one can be done within 10 days or less.

Mr. **Leath**. How many employees does an average State approving agency have? For example, in a State the size of Texas, how many employees?

Mr. **Busbee**. If I recall correctly, Texas is either 12 or 15 staff, professional staff.

Mr. **Leath**. And you think with a staff of that size, in a geographical area that large, we could have a 10-day turnaround?

Mr. **Busbee**. If they'd get down to it they could, yes.

Mr. **Leath**. I'll have to admit that's extremely optimistic.

Mr. **Busbee**. Of course, I may be prejudiced, just being from a small State.

Mr. **Leath**. I would assume that that's probably right.

Mr. Smith?

Mr. **Smith** of Oregon No questions.

Mr. **Leath**. Mr. Evans?

Mr. **Evans**. No questions.

Mr. **Leath**. Thank you very much, Mr. Busbee. We appreciate your statement.

Our next witness will be Col. David Passamaneck.

Did I pronounce your name right this time?

Colonel **Passamaneck**. Yes, that's right.

Mr. **Leath**. Colonel Passamaneck is the national legislative director of AMVETS and I think you have been here at least 3 times in the last 30 days or so, so you know how we like to do it. We will, of course, incuude your entire statement in the record if you would summarize it.

STATEMENT OF LT. COL. DAVID J. PASSAMANECK, NATIONAL LEGISLATIVE DIRECTOR, AMVETS

Colonel **Passamaneck**. Thank you, Mr. Chairman.

AMVETS appreciate the opportunity to appear before the subcommittee to express its views on H.R. 2355, which would establish an emergency program for job training assistance for disabled veterans and Vietnam-era veterans who have suffered from a much higher rate of unemployment than the general population, regardless of economic condition.

AMVETS enthusiastically supports the purpose and substantive objectives of the bill. We demur, however, from the bill's placement of the primary administrative responsibility for the emergency job training and employment program on the Veterans' Administration.

Recently, AMVETS and the veterans community in general culminated many years of effort to consolidate the responsibility for veterans employment programs in the Department of Labor, upgrading that function to the level of an Assistant Secretary of Labor for Veterans Employment. Public Law 97-306, in conjunction with Public Law 97-300, require the Secretary of Labor, through the Assistant Secretary for Veterans Employment, to administer all national programs designed to meet the employment and training needs of disabled and Vietnam-era veterans.

Now that a veterans employment delivery system is in place in the Labor Department we believe it would be wasteful and duplicative to establish an emergency veterans employment program in the VA, which has demonstrated only limited expertise in the area of veterans employment. The Labor Department's veterans employment specialists should play the substantial role in the disbursement of funds and the monitoring of this excellent and desperately needed program for relieving the nearly 900,000 unemployed Vietnam veterans.

The Veterans' Administration has, in the past, had experience in adminstering the job training features of the World War II GI bill and its successors. Its success in this area, in our judgment, has been most pronounced in the full-time vocational training field. In any event, the VA has only a limited track record in the currently essential mission of securing permanent, productive jobs for veterans.

The Department of Labor has a working staff onboard throughout the Nation, under the Assistant Secretary of Labor for Veterans Employment and its subordinate agency, the Veterans Employment and Training Service, and the National Labor Exchange System, operated by more than 2,300 job service offices.

This trained cadre would be ready to implement H.R. 2355 without delay.

Additionally, the Department of Labor is currently implementing its national veterans employment program under the Jobs Training Partnership Act. The Veterans' Administration, regardless of its experience in the field of employment training, is not currently staffed to implement H.R. 2355.

Because of the temporary duration of the emergency program, any increase in the responsibilities of the VA would create a wasteful augmentation of its staff for this limited, temporary purpose.

As to the mechanics for funding this program, the AMVETS would not object to an interagency arrangement between the VA and the Department of Labor, should the appropriation for this program be made by way of supplement to the VA budget. We are appreciative of the provision in section 15 of the bill for consultations and cooperation between the Administrator and the Secretary of Labor in the administration of this program.

We believe, however, that consultation and cooperation would prove to be ineffective in utilizing the resources of the Department of Labor where the operative responsibility for the program would reside in the Veterans' Administration.

Subsumed in our position, Mr. Chairman, is the earnest belief that divided responsibility for veterans employment and training is no responsibility at all in the long run.

This concludes my testimony, sir. I'm prepared to answer questions, if any.

[The prepared statement of Colonel Passamaneck appears on p. 69.]

Mr. LEATH. Thank you, Colonel.

On page 2 of your testimony you state that the VA has not demonstrated particular ability in securing long-term employment for its trainees. On the other hand, statistics submitted to the committee by the VA, however, indicate that 89 percent of the veterans who completed apprentice job training and 86 percent of those completing on-the-job training were placed in jobs relating to that training, by the VA.

On the other hand, statistics published recently in a national veterans organization newsletter indicated that in fiscal 1982, for example, only 1 out of every 6 veterans registered in Department of Labor local job service offices were actually placed in a job and only 1 in 18 found permanent, full-time employment paying more than $5 an hour.

Now, in view of your concern about VA participation in the administration of this program, would you care to comment on those statistics?

Colonel **Passamaneck**. Well, sir, it is our understanding that the success of the Veterans' Administration in the placement, or the permanent placement, of their trainees has largely been tied, amost exclusively tied, to their rehabilitation training programs. That is, for disabled veterans.

Now, it's also our understanding that the impact or the intention of this bill goes far beyond disabled veterans and is intended to include a vast number of nondisabled veterans who are unemployed, Vietnam-era veterans, and we feel that the VA does not have any kind of proven track record in securing employment for those people.

We can talk percentage in terms of a smaller number. We feel that the burden, the responsibility, of this bill is much greater than simply finding jobs for disabled veterans.

Mr. **Leath**. We're not really talking about a rehab-type training here or the GI bill type training. Wouldn't you find it difficult to argue with the VA's history of administering the GI bill back to the——

Colonel **Passamaneck**. We wouldn't care to. We agree that the VA has proven itself in that area. There's no question about it. Our position is that today the VA is not prepared to take this program on and the Labor Department, apparently, is.

Mr. **Leath**. I can certainly see that the Labor Department, apparently, would be if this committee would have authorized the money to give it to them. [Laughter.]

Mr. **Leath**. But I can assure you we aren't going to do that. We'd be happy to support the Labor Department in their efforts to secure a program of this nature but I find it rather passing strange that one arm of the administration says, "Oh, yes, we'd love to have the money" and the other arm, OMB, sticks the heavy foot on their head and says, "No, you can't take it," when they know that everybody in the organization thinks it's a good program. It's a little bit difficult to understand that logic.

Colonel **Passamaneck**. Well, maybe the phones weren't working over at the Labor Department yesterday afternoon. I don't know, sir.

Mr. **Leath**. Mr. Smith?

Mr. **Smith of** Oregon. I don't have any questions.

Mr. **Leath**. Mr. Evans?

Mr. **Evans**. No questions.

Mr. **Leath**. Thank you very much, Colonel.

Colonel **Passamaneck**. Thank you, sir.

Mr. **Leath**. I appreciate your testimony.

Our next witness will be Mr. Ron Drach, national employment director of DAV.

Welcome, Ron. You're also a very familiar sight for these various committees here, so we would ask you to proceed in any manner you would like and, of course, your entire statement will be included in the record.

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. DRACH. Thank you very much, Mr. Chairman. Again, it's a pleasure to be here before this subcommittee to discuss the ongoing problems of employment or lack of employment for disabled and Vietnam era veterans, with the understanding that my prepared statement will be part of the record. I would like to forgo talking about my prepared statement, but urge the committee to look very closely at some of our recommendations.

We certainly support the intent of H.R 2355 but would certainly appreciate your consideration of making some of the changes that we have recommended.

I think one of the things that needs to be discussed, or has been discussed, about the bill is, if it is passed, in whatever shape or form, who can or who wants to administer it? We've talked about the VA's record. We've talked about the Department of Labor's record. Over the past we've talked about the Small Business Administration's record and all three of them are pretty lousy when it comes to serving veterans, as far as I am concerned, relative to employment as an end result of all other services. Perhaps the only agency that has done anything of any consequence in the last couple of years is OPM. Maybe we ought to give it to OPM and let them administer it.

It's interesting that the administration does not support this legislation and they keep referring to Public Law 98-8. As I recall, during the discussions on Public Law 98-8, the President took the lead in saying that this was not a jobs bill. This was an accelerated construction, this was this, this was that. I remember him very distinctly saying, "This is not a jobs bill. This is not meant to put America back to work."

Now all of the sudden it's a comprehensive jobs bill, according to the VA's statement. I am a little bit confused. Is it a jobs bill? Is it not a jobs bill?

As Mr. Plowden indicated, if it is a jobs bill, there is nothing in there for veterans anyway. Veterans can't get a piece of the pie when veterans are in the law. So if they are not in the law, forget it. I doubt that we are going to get very much action out of Public Law 98-8 anyway.

On the other hand, if we wait long enough, the problem will go away. According to statistical information, we lost 400,000 in the last year. From March of 1982 to March of 1983, 400,000 veterans disappeared. I am not sure whether they died or whether they went to Canada or whether they went to Australia. I am not really sure. But they are no longer counted. They are no longer around. So, if we wait, at the rate of 400,000 a year, in a couple more years we will be rid of most of the Vietnam veterans and we won't have to worry about that any longer.

It's also interesting to point out that in just a little over 2 years—well, I shouldn't say "2 years" because I don't remember exactly—but it wasn't that long ago that the unemployment amongst Vietnam-era veterans was 375,000. That was about 2½, maybe 3, years ago. In March of 1983, it was up to 835,000. It has almost tripled. It's 2½ times the amount that it was 2½, 3 years ago.

Mr. Shasteen and, Mr. Chairman, you mentioned that, I think, one in six of the registered veterans received jobs and Mr. Shasteen emphasized that that doesn't tell the whole picture, that other reportable services are provided. I would like to point out that, under their definition of reportable services, referral to the VA is a reportable service.

So if a veteran comes in looking for a job and he is referred to the VA, we know that the VA is not going to provide job assistance. What really reportable service have they provided, and yet, it shows up as a reportable service.

I would like to also, just mention—in Dorothy Starbuck's statement, she talked about Public Law 96-466, a, quote, "fairly recent authority." Granted it's fairly recent, but it's 2½ years old. That was in October of 1980 and we are midway through 1983. So that's almost 3 years old.

She talks about the individualized employment assistance plan. Approximately 4,000 were prepared during fiscal year 1982. How many got jobs? How many were placed in employment? We provide tax dollars to rehabilitate disabled veterans through a vocational rehabilitation program and we don't know how many were employed.

That's kind of incredible. If you go back to post-World War II, the VA was given the administrative authority to provide employment assistance. Thirty-five years later they are getting around to doing some employment activity, but apparently relatively immeasurable.

Preparing an IEAP is one thing. Getting a job is another thing. Dorothy also talks about the, "comprehensive agreement covering coordination between the two agencies", meaning the VA and the Department of Labor, and providing these new services. Well, you know, unemployment keeps going up. What are these agreements doing? Is it just a paper process? It's obviously not providing job opportunities.

Going to Mr. Plowden's statement, apparently one of the favorite phraseologies over at the Veterans Employment and Training Service, VETS, is duplication, redundancy, duplication of authority. As you recall, in the last session over the opposition of the administration in Mr. Plowden's office, many employment provisions were added in Public Law 97-306. I would like to point out that one of those provisions was the establishment by law of the Secretary's Committee on Veterans Employment within the Department of Labor. That was opposed by the administration.

But when they had their first meeting back in March, the Secretary of Labor issued a news release which implied that the committee was reestablished by the administration on their own. There was no mention at all about the establishment by law.

Again, I emphasize, it was done over their objection. Now, they are taking credit for reestablishing a committee that they were made to reestablish.

I used to be concerned about duplication of authority, duplication of effort, but, you know, here we are 10 years later talking about problems that surfaced in the late 1960's, early 1970's and if it takes triplification of effort to provide these needed services to veterans, then maybe we need to provide triplification of services.

Mr. Plowden talks about the "national employment and training network that is in the training and employment business and have an established labor exchange system." I have to seriously question this labor exchange system when an additional 500,000-plus Vietnam veterans have entered that system seeking employment in 2½ or 3 years.

The mandate that Mr. Plowden talks about to "provide maximum employment and training opportunities through existing programs, coordination and merger of programs and implementation of new programs" is not new. If you look at history, that was mandated in 1972, Public Law 92–540. Now, here we are 10, almost 11, years later talking about the same problems.

He talks about a "creative recovery". Certainly, there are indications that the economy is turning around, but we have had peaks and valleys in the last 10 years. Veterans have benefited from these past periods of recovery.

So, it's our conclusion, Mr. Chairman, that unless something very, very drastic occurs, and something very unique occurs, veterans are not going to benefit from the upturn in the economy. They may not even benefit from H.R. 2355 unless somebody in the administration says, "If it is enacted, we will aggressively pursue implementation of this program."

I would be happy to answer any questions.

[The prepared statement of Mr. Drach appears on p. 72.]

Mr. LEATH. Thank you, Ron. I think you know that this committee shares those concerns and that is, of course, probably the most valid reason for this legislation, to begin to do something about all these facts in history that you have so accurately pointed out where we have not lived up to the commitment, perhaps due to negligence on the part of the committee, the Congress, as well as the various administrations involved.

So, we are very much intent—this was something that I made very clear to the staff when we got involved in this—we are very much intent in having a program that will work. I am not in the least bit interested in just having something so that we can all go back home and wave and say, "Oh, look what we have done for the Vietnam veterans." I want a program that will work.

I think that's the reason that we are giving so much thought, so many hearings, getting so deep into this thing, trying to find out what areas that Government possesses in the executive branch that we can take this $150 million and make it produce jobs for veterans as opposed to just disappearing.

So, we appreciate your concerns very much along that area and the entire committee, I think, is aware of it.

Let me make a couple additional comments and then I have a question for you.

On page 3, you mentioned that the bill should include, "discouraged workers". A principal purpose of the bill is to assist veterans who have lost their jobs and which employment is declining and who need to be retrained to qualify for a new job. It is a retraining bill for veterans who have been laid off from jobs in the older smokestack-type industries, jobs in which there is little chance that they will ever get back.

The bill does not eliminate discouraged workers who can find a job under the bill.

You refer to training in the bill as being "restricted to employers who are for profit." Some would refer to H.R. 2355 as a very mini-economic recovery act at best. The statistics that we have received so far indicated massive layoffs in the last year or so in the profit-making industrial corporations of the country. H.R. 2355 is not intended in any way to be a substitute or a latter day-type GI bill. It is intended to train or retrain veterans in American industry who have been previously successfully employed, but who have been employed for 15 weeks or longer.

I just wanted to make sure that you understand our intent there.

There are currently 34 career development centers in operation in the VA regional offices. Approximately 2,500 veterans a month are provided career and job information, training and job-finding skills, as well as assistance in locating and obtaining a suitable job.

Do you believe that these centers could play an effective role in the successful implementation of this particular legislation?

Mr. **Drach**. Most definitely, Mr. Chairman. The CDC, career development center concept, was started several years ago in two pilot cities, one in Washington, D.C., and one in San Diego, Calif., as I recall. I had an opportunity to go over and watch the one in Washington in operation and at that time or shortly thereafter we went on record with the VA Administrator encouraging an expansion of that concept, which ultimately resulted, I guess, in the 34 centers.

We have kind of lost track of that and I think we have kind of overlooked that potential. I think that we have to look very, very open mindedly as to who can become involved in this program relative to the marketing. Administering it and making payments is one thing, but selling the program to the employers is another thing. I think, to exclude, by virtue of law, regulation or policy, any particular component that is out there, would be a great mistake.

I think the career development centers could play a very major role in marketing the program, and hope that they would.

Mr. **Leath**. OK. Mr. Smith?

Mr. **Smith** of Oregon. No questions, Mr. Chairman.

Mr. **Leath**. Mr. Evans?

Mr. **Evans**. Mr. Drach. I appreciate your comments putting this in the context of what's happening out there. You talked about a comprehensive job bill—if Noah had proceeded in this fashion, he would have built a rowboat instead of an ark and the high levels of unemployment that are flooding our veterans community require an ark. That's what I think the chairman's bill does is provide us with that ark.

I will read your testimony in length, but do I understand just by skimming it that you are not opposed to the VA administering the program as long as there is cooperation and coordination with the Department of Labor?

Mr. **Drach**. That's correct.

Mr. **Evans**. All right, thank you.

Mr. **Leath**. Thank you very much, Ron.

Mr. **Drach**. Thank you.

Mr. **Leath**. We appreciate your good testimony, as always.

Our next witness will be Mr. Philip Mayo, special assistant, National Legislative Service of the VFW, accompanied by Kim Graham, the employment director.

Welcome, Phil. Having been here many times you understand the way the committee likes to proceed, so we'll include your entire statement in the record, if you'd care to summarize it.

STATEMENT OF PHILIP R. MAYO, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS, ACCOMPANIED BY KIM GRAHAM, EMPLOYMENT DIRECTOR

Mr. **Mayo**. Thank you, Mr. Chairman. I usually try to make a quick summary of our statement.

We commend the subcommittee for its initiative in introducing this measure. We believe it is, with certain modifications, worthy of quick advancement.

Our primary objective is to secure the passage of a practical and easily implementable measure so that we can come before you in 6 months or a year and tell you about the meaningful employment opportunities and the successes its passage has brought.

We appreciate, again, the committee's interest, we gratefully acknowledge its interest, and we look forward to working with the subcommittee and the staff so that we do achieve success with this measure.

[The prepared statement of Mr. Mayo appears on p. 80.]

Mr. **Leath**. Thank you, Phil.

Let me make one comment, as I did with Ron previously. You referred to the discouraged worker not being eligible for assistance, proposed in this bill. As you know, the bill is intended to help veterans who have been unemployed for 15 or more weeks, who have been previously successfully employed but were laid off during the last year or so for whatever reason.

It's not intended, of course, to include every veteran. By Government standards it's a modest size. But certainly a discouraged worker could easily be eligible, if he chooses to actively seek employment. So, I think it's important that we understand that.

It's been suggested by some that employers be required to retain the veteran trainees for a certain period of time after the training program is completed, perhaps 1 month for every month of training. In your view, would this be an effective means of ensuring continuing employment for the veteran or would this kind of requirement kind of perhaps be discouraging to potential employers?

Mr. **Graham**. Mr. Chairman, I believe that that particular modification to the bill would probably be a positive aspect. However, I think it would be very difficult to enforce. The economy being what it is, I don't think that we could really place the demand on the employer to require that he would hold onto this veteran for a month for every week of training. I think it's a good little thing to put in there. However, I don't think there should be any penalty against the employer if he is not able to meet that particular criteria.

Mr. **Leath**. I agree with you. I think it would be extremely difficult to administer after the fact.

Mr. Smith?

Mr. SMITH of Oregon. I would just have to agree on a comment. I don't know how you'd quite keep track of what the situation was, how many months had been worked following that training, and I think it would unduly, probably, to exclude people from hiring rather than encourage them to utilize the program. So, I would see it as a negative.

I yield back, Mr. Chairman.

Mr. LEATH. Mr. Evans?

Mr. EVANS. No questions.

Mr. LEATH. Thank you very much, gentlemen. We appreciate your time.

Our next witness is Mr. Frank DeGeorge, associate legislative director of the Paralyzed Veterans of America.

Welcome, Frank.

Mr. DEGEORGE. Thank you, Mr. Chairman.

Mr. LEATH. We're delighted to have you here, as usual, and you may proceed at your convenience.

STATEMENT OF FRANK R. DeGEORGE, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. DEGEORGE. Thank you, Mr. Chairman.

The Paralyzed Veterans of America appreciate your invitation to express its views here today regarding H.R. 2355.

In fact, PVA is extremely pleased with the introduction of the bill. It directly reflects the recognition, concern, and interest of the subcommittee and of the Committee on Veterans' Affairs in addressing the needs of chronic unemployment, training, and jobs training for disabled veterans and veterans of the Vietnam war.

The Congress has already deemed it appropriate to take action on the Nation's unemployment problems and has passed the emergency jobs bill, which has been signed into law by the President, as you are aware. Unfortunately, this law provides no special consideration for veterans. This makes H.R. 2355 all the more meaningful, as this committee has not overlooked the veteran.

On April 12, 1983, the Senate Budget Committee approved $150 million in the budget recommendations for the same purpose as contained in H.R. 2355. It is inspiring to note that Congress is moving ahead and in unison on this matter at this time.

First, it is extremely important that any emergency jobs training program be enacted and implemented as quickly as possible. Restrictive and ponderous requirements for eligibility for participation in the program by both the veteran and the employer must be minimized. Many potential employers will be small businesses who have neither the financial nor personal resources to meet lengthy and time-consuming application and reporting procedures.

In short, an emergency training program must be as streamlined as possible and not be encumbered with administrative procedures procedures which will hinder the effectiveness of the intended program.

The emergency nature of the program must be stressed if unemployed veterans and potential employers are to be identified and brought together as expeditiously as possible.

One specific suggestion to facilitate rapid implementation of an emergency jobs training program is the provision of funds for technical assistance. These funds could be utilized to inform State employment officials and to identify and enlist businesses in program participation.

A second area that needs to be addressed in creating a viable jobs training program for veterans is provisions of resources for relocation. In certain areas of the Nation the entire economy is in a depressed state and few, if any, employers would be able to provide training which could lead to the reasonable expectation of employment.

The situation is particularly true in regions which have had a heavy reliance on a single industry such as steel production or mining.

A veteran who qualifies for eligibility under the provisions of H.R. 2355 cannot be expected to have personal resources sufficient to provide for relocation to another area. Fifteen or more weeks of unemployment is financially debilitating and a veteran who has experienced such unemployment would be in need of such assistance.

This assistance would be twofold. First, to identify areas where employment opportunities exist and, second, financial assistance in relocating to those areas.

A third area that needs to be addressed in creating an emergency jobs training program relates to the specify needs of service-connected disabled veterans. The Veterans' Administration is currently conducting an unemployability review of veterans rated 70, 80, or 90 percent disabled, and in receipt of compensation at the 100 percent rate, by virtue of their unemployability.

It seems extremely callous to conduct such a review and, in many cases, disallow the unemployability determination at a time of unprecedented unemployment. Today many Americans, whether severely disabled veterans or not, are unable to find employment, while the review certainly may be legitimately motivated, the timing of this is most inappropriate.

PVA believes that since certain veterans are experiencing reductions in their rate of compensation when they are determined to be unemployable, that special consideration should be provided them in unemployment-related programs. It is hoped that by your efforts the Veterans' Administration, when disallowing a veteran's unemployability, will be directed to provide employment assistance to that veteran. Additionally, PVA trusts that any employment or jobs training program that is created for veterans will contain specific provisions for any veteran who has been so affected.

Finally, Mr. Chairman, PVA must comment on the provisions of section A of H.R. 2355 which allow an eligible employer to defray the costs of making structural alterations to the workplace to assist a disabled veteran in participating in the program. This is a commendable effort on the part of this subcommittee in recognizing the unique employment needs of certain disabled veterans.

Too often a disabled veteran is precluded from gainful employment not because of his abilities but because of the physical environment of the workplace.

Section A, 7-A, if it is to be truly effective, needs to address more than the removal of architectural barriers. Other modifications are frequently required if a disabled veteran is to perform certain job tasks. Included in such modifications are the provision of assisted devices and various other reasonable accommodations to meet the specific requirements of individual veterans.

Mr. Chairman, again, PVA applauds your effort for conducting these hearings. This completes our testimony at this time and I'm available to answer any questions you might have.

[The prepared statement of Mr. DeGeorge appears on p. 83.]

Mr. **Leath**. Thank you very much, Frank.

As you state in your testimony, speedy approval is vital to the success of the bill. Your recommendation for relocation assistance for veterans who are forced to move to another area is an excellent suggestion, as is your suggestion that the bill provide employment-related programs for totally disabled veterans whose compensation has been reduced because they are no longer considered to be unemployable.

You can certainly rest assured that these recommendations will be given thorough consideration as we mark this bill up.

Mr. Smith?

Mr. **Smith** of Oregon. I have no questions. I thank you for your testimony.

Mr. **Leath**. Mr. Evans?

Mr. **Evans**. Thank you very much, Mr. DeGeorge. No questions, Mr. Chairman.

Mr. **Leath**. Thank you, Mr. DeGeorge.

Mr. **DeGeorge**. Thank you.

Mr. **Leath**. Our next witness will be Mr. Richard Weidman, Vietnam Veterans of America, and welcome to you, Richard.

Mr. **Weidman**. Good morning, Mr. Chairman.

Mr. **Leath**. We look forward to your testimony as always and you may proceed.

STATEMENT OF RICHARD WEIDMAN, VIETNAM VETERANS OF AMERICA

Mr. **Weidman**. Thank you, Mr. Chairman.

VVA is pleased to have the opportunity to present our viewpoints today on H.R. 2355. If I may, sir, I'll just briefly touch on the points, the high points, if you will, of our position on this bill and then offer a few oral comments, if I may.

When we appeared before the subcommittee last February we indicated that it was our belief that the OJT training program needed to be strengthened through the provisions of a reimbursement to employees, to participating employees, for the initial cost of training. We believe that this bill does that.

I believe it's important to emphasize that this bill does not create a new job program out of whole cloth, if you will. Rather, this bill should be seen as a broadening and extension of the OJT program which the Veterans' Administration is already authorized to administer. VVA is very much aware that the principal objection to this bill in some quarters of the veterans community, namely, that the veterans job program ought to be administered by the Department of Labor.

We believe, however, that the committee has shown considerable wisdom in placing this program under the VA. The reasons we have outlined in our testimony and I'd be glad to go over those a bit with you if you have any questions, Mr. Chairman.

We also just want to make an expressed remark of expressing our keen disappointment with the House Budget Committee's decision not to earmark specific funds for this program. We believe that this decision is a mistake pointing to a continuing insensitivity to the Nation's obligations to put its veterans back to work and we urge this committee to make every effort to restore funding to this program as well as all other veterans service organizations.

We also urge the committee to assure that when and if this bill goes to conference with the Senate that funding does get restored.

In my oral comments, Mr. Chairman, we wanted to comment just on a couple of specific things in the bill and set some context, if we may. We believe that it is important to bear in mind who, in fact, are the employers to whom you're going to have to sell this bill, No. 1, and No. 2, who is actually going to do the selling of the program to those individual employers?

First of all, I think that everyone on the committee and on the staff is aware that the majority of jobs created each year in this country are in small business, in firms employing 20 or less. So, that becomes an extremely important thing, that there, first, be a flexible timeline, and second, minimal paperwork and, third, that there be timely payment.

One of the reasons why we urge you to stick with the VA is DOL, quite frankly, doesn't have a good track record, even in reimbursing its contractors.

The second point about that is that who, in fact, is going to do the selling? A lot of the selling is not going to be done in the VA except by veterans' service organizations getting out there and convincing employers that given the incentives under this program that a job can be created. I mean, I think that that is just the key point. We're not talking about Fortune-500 companies, by and large. We're talking about individuals who, given some encouragement, will create a job, in large part because it is a veteran for whom that job is being created.

That leads into the question of if VA is opposed to accepting this program, why are they opposed?

We think that possibly that may be because they haven't developed an overall policy. Under the leadership of Mr. Walters we, I understand, and with the addition of Mr. Kenneth Cling as a special assistant to the Administrator, that they are interested in moving in this area.

Under the provisions of title 38 that VA is mandated to provide employment counseling, and we would suggest to you, Mr. Chairman, that you think about separate legislation authorizing $7 million to $9 million to mandate the VA to put together a comprehensive about what would be the relationships between the provisions, for instance, of H.R. 2355, with vocational rehabilitation and an overall plan, if you will, as to how they're going to meet the mandate of an existing law, given existing resources and, if they need additional resources—or enablement authority—to come back to this committee with such a proposal.

We would suggest and recommend, Mr. Chairman, that that be in addition to and separate from the provisions of this bill. But that would also allow them to have the administrative mechanisms to beef up what they already have in terms of administering the checks to the employers in the way of incentives in the $150 million.

When we're talking about administering this bill, it's a question of are those payments going to be on time? Who has the system for paying that employer on time? If you're talking about a struggling business of 5 to 10 employers, and I think that, in large measure, that is, in fact what we're talking about when we're talking about selling this to the employer community, those timely payments become crucial, and we believe that VA has the mechanism to do it.

In addition to that, there are two other issues I just want to touch on briefly. We would commend you, Mr. Chairman, for taking the initiative on this bill, but it is, in fact, in our opinion, only part of the answer.

At some point the question needs to be posed and called, if you will, of what role is the Veterans Employment and Training Service going to play in meeting the Nation's obligations not only to veterans but to growth of the employment overall?

The questions that we believe should be asked of the Office of the Assistant Secretary for Veterans Employment, would include:

> Where is the management information study of the activities of the State directors of veterans employment, the local veterans employment representatives, the DVOPs?

The question is now how many veterans were placed by the State employment service agencies in the past year, but how many by VETS that otherwise were not walk-ins that would have been serviced by those SESA's and how many were created, jobs were created, by the active efforts of those disabled veterans outreach program workers or those local veterans employment representatives?

Which leads specifically into what are the training programs that are being designed by the Assistant Secretary's office for training those local employment—veterans employment representatives and those local DVOP's, and how to do that, how to reach out, how to network in the community and enlarge the pie, if you will?

I think we made this point last time and I'm sure it is something that's familiar to you, Mr. Chairman, and to all members of this committee, that the overwhelming majority of jobs that are created each year in the United States are not listed on the State employment service nor anyplace else. We're talking about 90 percent of the jobs are not listed there, and if the Veterans Employment and Training Service is taking a passive role and only referring people to that 10 percent or less of jobs that are listed on the State employment services, then the question really arises of why do we have a separate service?

Vietnam Veterans of America believes that there should be a separate service but believes there needs to be much more of a hard-charging attitude, if you will, in terms of reaching out to the community.

Which leads into our last point, Mr. Chairman, and I will try and make it brief here, and that is that we are in favor of the bill as drawn with perhaps a few refinements that we'd be happy to work with you on, but believe that it is important to start to look at this area of a comprehensive employment policy veterans employment policy, not just centering on the VA OJT nor just on the activity of VETS, but looking to the coordination of all of these efforts, what, in fact, is happening in vet centers across the country, what is happening with VA overall, how does rehabilitation activities on the part of VA impact on that employment, et cetera, how does the Department of Commerce fit in? Is the Department of Commerce making the Commerce Business Daily available to the local veterans employment service office to find out where Federal contracts are coming in?

We would commend Mr. Plowden, incidentally, for his efforts in consolidating, if you will, the Veterans Employment and Training Service, but at this point now that the authority has been gained, accountability for activities and training of those folks across the country needs to be done.

On the part of the committee, just in closing, sir, in moving toward looking for a comprehensive veterans employment policy on the part of this committee, we're not really sure what form that would take. Perhaps joint hearings with the Education and Labor Committee to look at the overall Federal effort, to make sure that there is a coordination, and begin to really look at it not just as a benefit, if you will, but looking to the Nation's veterans as a resource.

I'm available for any questions that you might have, Mr. Chairman, or any member of the committee. Thank you.

[The prepared statement of Mr. Weidman appears on p. 89.]

Mr. LEATH. Excuse me, Rick. Our distinguished chairman of the full committee just came in and I missed your finish there. I apologize.

I agree with you that under the leadership of Harry Walters that we're going to see a much more aggressive attempt, a sincere attempt, I happen to believe, by the way, to correct some of those things. I think that, as I told Miss Starbuck, that we can lay the Administration's displeasure or non-support of this bill, at the feet of our old friends over at OMB who continually either want to contract the entire veterans health care system out or dismantle it, or combine it, or what have you, as opposed to laying it at the feet of those in the VA who, I think, are already on record in previous hearings before the committee of supporting efforts such as this.

I want to thank you and the Vietnam Veterans of America for your strong general support of H.R. 2355. As you have indicated, the VA has the structure in place to administer the program contemplated by the bill, since as you have also indicated, it would be, in large part, an on-the-job training program for a limited number of veterans.

H.R. 2355 changes the format by paying the employer, which I happen to think is a good change, which differs from the present on-the-job program of paying the veteran a subsistence allowance. I tend to believe that this will give those small business employers that you talked about, and having been one of those for some 25 to

30 years before I came to Congress, I can see where I believe that would provide an incentive to those small businesses, in particular, and I believe, I hope at least, to some of the larger corporations, if we can, as you quite adequately point out, and I just leaned over to staff and suggested that we pursue one of your suggestions which is to just see how we are going to get the word out.

That's something that's bothered me throughout the thinking process of this bill. I think that's a very vital part of it and I think it's something that perhaps we need to give some more thought to and something that we need to tie down from the standpoint of legislative language and make sure there's adequate funding in there and so forth in order to do that.

I can assure you that we'll work toward that.

Mr. Smith, do you have any comments?

Mr. **Smith** of Oregon. No questions, Mr. Chairman.

Mr. **Leath**. Thank you. Mr. Evans, do you have anything?

Mr. **Evans**. We had to rush you through so much, you had to summarize your testimony since we have a larger audience with the TV cameras today, that may never read your testimony. Could you summarize your opposition to placing this in the Department of Labor, and your favoring it in the Veterans' Administration for the benefit of that wider audience?

Mr. **Weidman**. Well, there are several reasons for that, Mr. Evans. The first is, I think it very important to bear in mind that as important as this initiative is, and we do believe it's an important initiative, essentially what it is is a broadening of the authority under the Veterans' Administration for VA OJT. That's a program that VA has done a very good job of administering for many years, and I think it's important to bear that in mind, that if, in fact, this program works, as we believe it will, under the Veterans' Administration, you're still only talking about reaching 5 percent of the Vietnam era veterans currently unemployed, according to the official statistics. In other words, we believe, certainly, that it's higher than that, probably a million unemployed Vietnam vets.

The number of reasons are, first, as I have indicated before, it's not a new jobs program but an extension. Second, the VA is in a much better position to provide for the sound administration of this program than the Department of Labor. The VA has the resources to provide sound fiscal management. It's important to bear in mind that the VA is the second largest Federal agency, only behind the Department of Defense, and that the Veterans Employment and Training Service has less than 300 employees if one does not count the disabled veterans outreach program workers nationwide.

If the VETS cannot run that program, a non-Federal agency such as one of the 52 State employment security agencies would then be forced to operate, and the question that one needs to ask at that point is: What effect would that have on the program? In the first place, the DOL and the Federal Government would lose control of the program, particularly over the quality. As you know, OMB has already severely restricted program regulations governing the JTPA, the Job Training Partnership Act, and it can be expected that similar restrictions would apply to H.R. 2355.

If that's the case, the ability to maintain high program standards, sound fiscal and management accountability would be jeopardized. The VA's record in this regard, incidentally, is very good. I think we all remember a lot of sound and fury, if you will, over, "fraud" in the VA GI bill, administering of it, when in fact GAO went back and looked at that and found such a low percentage of fraud that it was better than any other department or any other program that any of them had ever investigated.

So, VA has an excellent record in this area and we believe that they will be able to implement this bill and reach at least that 5 percent of the unemployed Vietnam veterans across the country who could benefit materially in getting their careers on track by virtue of H.R. 2355, and we very much favor its passage in something close to its present form.

Does that answer your question, sir?

Mr. Evans. Yes, it does. Thank you very much.

Mr. Leath. Mr. Smith?

Mr. Smith of Oregon. Yes, a thought just came to me. How many of these unemployed Vietnam veterans have failed to use their GI bill rights? Do you have any idea how many of those million you said, approximately?

Mr. Weidman. I simply don't know, Mr. Smith. I think that one of the things to bear in mind about the use of the GI bill, and if I can use just two examples from one of our local affiliates, both of those are in Ohio where people—and this is a common pattern across the country—is that people return to campus and they didn't find campus a particularly friendly place to be, so they took a job.

In many cases that was in dying industries and that's one of the reasons why I used Ohio, both Toledo, Ohio, and Akron, Ohio, as an example.

A lot of our guys went to work for General Tire in Akron, Ohio. There are no more tires being manufactured by General Tire or by anybody else in Akron, Ohio. Individuals didn't use any or very much of their GI Bill. I think that's true of the majority of folks. A lot of guys started one semester and then dropped out. While it is true that more people, more Vietnam vets, tried to use the bill, a lot of people dropped out.

So that many people still have eligibility, if they hadn't run up against the delimiting date, Mr. Smith. Frankly, I think that the delimiting date is something that we all ought to look at because of the changed nature of higher education. People do not go to get a bachelors degree in a lockstep 4 years any more. The majority of students in this country, in fact, are adult learners and lifelong education has become the norm rather than the abnorm, and so there are many of our members across the country who would look to, possibly, extension of that.

I guess I don't have any hard stats for you but I do have a lot of huristic experience that I could impart to you any time you'd like to talk about it.

Mr. Smith of Oregon. I thank you. I appreciate your comments.

Mr. Weidman. Thank you.

Mr. Leath. Mr. Richardson of New Mexico?

Mr. **Richardson**. Thank you very much, Mr. Chairman. As you know, I'm a cosponsor of H.R. 2355 and I don't have any particular questions of Mr. Weidman.

It just seems to me that we are falling into a consistent pattern. Every time the Congress, your leadership, Mr. Edgar's, the chairman's, whether it's a Vietnam counseling bill or it's an agent orange bill, an emergency job training bill, the VA and the Department of Labor and OMB say, "No."

I just came from a hearing where we are trying to keep a vocational school for Indians open in my district, and again, the OMB and the administration word is "No," and yet they profess to talk about having a tremendous amount of interest in job training and education and they point to the want ads in "The Washington Post", and say that the education and job training are big investments—I know the chairman likes to keep this committee as nonpartisan as possible and I got into a little exchange in another subcommittee the other day on this.

Mr. Chairman, I would like to ask Mr. Weidman a question that maybe goes beyond the bounds of this hearing. Has there been any initiative that this committee has proposed, on our subcommittee or any subcommittee of Veterans' Affairs, affecting Vietnam veterans, any proposals that you have made that the VA has supported?

Mr. **Weidman**. That the VA has supported? I would yield to my legislative director who might be able to answer that question more specfically. The VA has been supportive of many programs. There have been problems, as you know, on agent orange, et cetera, but that was not limited to this administration, I would point out, Mr. Richardson.

Mr. **Richardson**. Well, Mr. Chairman, one of the reasons that I was very anxious to participate actively in this committee is the leadership I have seen on behalf of the Vietnam veterans and I am now an expert in Congress for a total of 126 days and I have yet to see an initiative that the VA is supporting for Vietnam veterans, and I will be the first one to glorify when I see that they do.

Thank you.

Mr. **Leath**. Thank you. The Chair would recognize at this point the distinguished chairman of the full committee, a gentleman who has been a champion of the veterans in this country for many years, who is very supportive of this legislation and very much in on the formulation of it and who would have been here for the entire hearing had he not been called to the White House to discuss some strategic nuclear delivery systems with the President.

So, we are delighted to have you here, Chairman Montgomery.

Mr. **Montgomery**. Thank you, Mr. Chairman. I had a very interesting meeting at the White House. It was nonpartisan across the board. There were both those who support and don't support the MX missile program, and I think it was a plus for our country that people of all thoughts on nuclear weapons would come together and sit down and try to reason out something about nuclear weapons. That's why I am late.

I want to congratulate you and the subcommittee and the witnesses for having this hearing this morning on H.R. 2355, of which I am a coauthor, that is really a veterans' jobs bill.

You and I talked about this, Mr. Chairman, and we were concerned that the $4.5 billion jobs bill that was passed by both Houses and signed by the President—I believe I am right on this, Mr. Weidman—it really didn't mention veterans at all. It had certain groups that it did mention, young, old. I don't have any problems with that, but it did not really specifically cover anything to help veterans and we have more unemployed as a group, the Vietnam-era veterans, than any other group of Americans.

I feel very strongly about the bill and, I believe I am correct in this, the Budget Committee did not have funds in the bill—is that correct—in the budget resolution?

Mr. LEATH. Well, strangely enough, they had several billion, I don't recall how much exactly. I want to say, 12 billion or so in the budget resolution for so-called jobs programs, but they did not include our modest proposal, Mr. Chairman. I have indicated to the staff, and of course, I think you agree with it that if we can't rectify that in the conference, that we just attempt to take the issue head on.

I certainly think we can win. The House has demonstrated over and over and over again that regardless of the administration's position or regardless of the Budget Committee's position, that they want to do something that has long been neglected for Vietnam veterans. So I would hope that we could change that.

Mr. MONTGOMERY. Well, I certainly hope so. We're on the right track, Mr. Chairman, on this type of bill that we have introduced. It would, in effect, work through the private enterprise system. I think, if we want to lose control of it, we would put it under the Department of Labor, but, as the witness stated, he feels and I do, too, that the Veterans Administration now has the ability to help veterans find jobs and can adminster this type of legislation. If we can get it out and get it going, I think the Veterans Administration could handle it.

As far as I am concerned as chairman of this committee, it's a top priority and we've got a lot of work to do.

Mr. Richardson, our committee has tried to do what it could for the Vietnam era veteran. We have totally cooperated with the leadership of the veterans' congressional delegation and we will continue to do so. I think we have a chance if we all get behind this bill and push.

Thank you, Mr. Chairman.

Mr. LEATH. Thank you, Mr. Chairman, for your comments and thank you, Mr. Weidman. We're always happy to have you. You have made some points that we certainly want to get a little bit deeper into as we mark this up.

Mr. WEIDMAN. Thank you, Mr. Chairman. Thank you.

Mr. LEATH. Our final witness will be Mr. Paul Egan, deputy director, national legislative commission, the American Legion; accompanied by Mr. James Bourie, the director of the national economics commission of the American Legion.

Gentlemen, we welcome you again.

Mr. EGAN. We are coming quite often, Mr. Chairman.

Mr. LEATH. Quite often.

STATEMENT OF PAUL S. EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION, ACCOMPANIED BY JAMES BOURIE, DIRECTOR OF THE NATIONAL ECONOMICS COMMISSION, THE AMERICAN LEGION

Mr. **Egan**. Jim Bourie will summarize our remarks, but I think it's in order to make one point. As Chairman Montgomery pointed out, you know, there is the risk for this program to become a specifically labor program, that is, specifically, labor money.

There is the risk that this committee would lose jurisdiction over the program. I think there is some confusion about what is meant by "administration of the program." We believe that the existing resources within the Department of Labor, as well as the existing resources within the Veterans' Administration, should be utilized in conjunction with one another, in cooperation, for the promotion of a program like what is intended in this legislation today.

Mr. **Leath**. Go ahead, Jim. You may proceed.

Mr. **Bourie**. Mr. Chairman, the American Legion thanks you for allowing us this time to present our views on H.R. 2355, the Emergency Vietnam Veterans Job Training Act of 1983. Pertinent resolutions adopted by the American Legion are attached with the request that they be made part of the record.

In the onset, Mr. Chairman, we wish to commend you for your leadership shown in addressing a very serious and pressing issue. Unemployment rates for Vietnam-era veterans and disabled veterans are at record levels and exceed that of their nonveteran peers.

Unless this matter is confronted in a positive and viable way, we can only expect higher levels of unemployment, more frustration and bitterness on the part of veterans.

Mr. Chairman, Congress has indeed been receptive to the veterans' employment problem, enacting various measures which respond to the economic problems of veterans.

However, the problem has not been one of legislation, but of implementation and funding. It has only been recently that the Office of Assistant Secretary of Veterans Employment has reach a stable level of funding and staffing. But its mission is accomplished in large measure through the State employment security agencies. It has not really administered a separate and identifiable program.

To an extent, this situation has been rectified with the Jobs Training Partnership Act. Under title 4, part C, there is established a national veterans program and, given the current formula, approximately $9.3 million will be available for veterans employment training programs in fiscal 1984.

However, funds allotted to veterans under the JTPA do not in any way equal the magnitude of the problem. At best, those moneys are viewed as merely seed funds with matching funds from States being anticipated. Solid and responsive veterans employment training programs cannot be initiated without a firm financial commitment.

Therefore, we feel that the fundamental idea behind H.R. 2355 is indeed worthwhile and coincides with the desires of business and veterans.

The cost sharing of training Vietnam-era veterans and disabled veterans would provide an attractive incentive to firms, especially smaller ones, since they generate the majority of economic opportunities. But we must be cautious so as not to create disincentives through bureaucratic entanglements and paperwork that would mire the expeditious promotion of this program.

Importantly, we feel that the best agency to administer this type of program is the Department of Labor through the Office of Assistant Secretary for Veterans Employment. It currently has the expertise and staff to administer such a program. It also works in close concert with the Job Service in identifying eligible veterans as well as potential employers.

Designated State and local VETS, Veterans Employment Training Service personnel are attuned to the economic needs of their veterans constituency and have access to Job Service records, files, and computers. Moreover, chapters 41 and 42 of title 38, United States Code, provide the VETS with specific duties and responsibilities.

A program such as the one proposed by H.R. 2355 could be integrated into the existing VETS structure with little difficulty.

The VA, on the other hand, would have to establish an entirely new program component dealing with employment training matters—recordkeeping, personnel, payments, veterans outreach, and other fundamental areas.

We must conclude that the VA is ill-prepared to assume such a program envisioned in H.R. 2355. Officials of the VA freely state that the agency lacks resources, expertise, and staff, three necessary elements in any employment training program. It is unlikely, given the current VA budget, resources can be found for such a program. Nonetheless, the VA could still play a critical and important partnership role in cooperation with the Department of Labor as regard payments, veterans outreach, program promotion, referral, and other important areas.

Concerning the technical aspects of H.R. 2355, there should be a greater role for the State employment security agencies for the reason cited as well as maximum coordination with the targeted job tax credit program.

Eligibility is one other area of concern as H.R. 2355 is limited to Vietnam-era veterans and compensable veterans who have been unemployed for not less than 15 weeks of the last 20 weeks at the time of application.

We should also like to see the eligibility category expanded to include honorably discharged veterans of all eras with 15 weeks of unemployment or perhaps targeting Vietnam-era veterans and disabled veterans with all other eligible veterans as a second target category.

We would also recommend that an eligible veteran be prohibited from this program if he or she has been enrolled previously, that is, limit the amount of times a veteran could become eligible for such a program.

Moreover, there should be a post-training employment ratio imposed upon the employer. For example, for every week of training, there must be 1 week of employment.

Mr. Chairman, that summarizes our statement. I do want to add one other consideration and that is an administrative cost setaside. Whoever gets the program, be it the VA or the Department of

Labor, I just don't feel, looking at their current budget structures, that they can absorb such a program. There's pens, pencils, desks, training, manuals, pamphlets. All of these are inherently associated with a program of this magnitude. That provision must be somehow considered in this type of program.

A new program of this type being brought online needs these types of, as I said, inherent and peripheral problems that need to be addressed.

There was some comment earlier about the jobs bill, Public Law 98-8. True, there was nothing specifically for veterans, but I think what is involved in title 38, section 2012, wherein Federal contractors of $10,000 or more must have affirmative action plans for the hiring and advancement of Vietnam-era veterans and disabled veterans. I think that is really what the veterans community is hanging its hat on through the Department of Labor.

But as you are well aware, the Office of Federal Contract Compliance is wholly negligent in insuring that that provision of law, which, in our estimation, is quite a significant piece of legislation—it may be brief, but it's very, very significant considering the amount of contracts being let by the Federal Government.

I do know that the VA in all of their contracts has that provision written in, but it's up to the Department of Labor to enforce that provision.

Mr. Chairman, that concludes our statement. We would be happy to answer any questions you may have.

Mr. **Leath**. Thank you very much for your statement.

Mr. Smith?

Mr. **Smith** of Oregon. I have no questions, Mr. Chairman.

Mr. **Leath**. Mr. Richardson?

Mr. **Richardson**. I have no questions.

Mr. **Leath**. Mr. Chairman?

Mr. **Montgomery**. Only one comment. I guess it's a question. Couldn't there be cooperation between the Department of Labor, including the Veterans Placement Office in the Department, and the Veterans' Administration without having to change the law and make it come through the Department of Labor? Couldn't we have cooperation between the Veterans' Administration and the Department of Labor to administer this act if it were passed?

Mr. **Bourie**. Yes; as you know, those elements are already in place, not only chapters 41 and 42, but also the VA-DOL agreement signed in September of 1982. If we are looking at payments, it would seem to me that the VA could very easily make the payments for this type of program with the Department of Labor doing the yeoman's work, so to speak, through networking of DVOP specialists and LVER's, the Job Service. I just don't feel that under the circumstances that the VA has the expertise to identify and put the tap on employing and the veteran community.

Mr. **Montgomery**. Well, who administers is really down the road. Our big problem is trying to get the legislation passed. Then we can worry about who would adminster the program.

Thank you.

Mr. **Leath**. Thank you, sir.

Thank you, gentlemen. We appreciate very much your statement.

Mr. **Bourie**. Thank you.

Mr. **Egan**. Thank you.

Mr. **Leath**. If I might generally summarize this morning since this was the last group of witnesses.

In February of this year over 890,000 Vietnam-era veterans were looking for work, a 23-percent increase over February of 1982. The rate of unemployment for Vietnam-era veterans, age 25 to 29 years, was a staggering 21 percent, 47-percent higher than the unemployment rate for nonveteran males in that same age group.

Last year in Public Law 97-306, the Congress clearly acknowledged that as long as underemployment and unemployment continue as serious problems among veterans, alleviating those problems is indeed a national responsibility.

Actions taken by the Veterans' Affairs Committee in the last Congress under the leadership of my distinguished colleague, Mr. Bob Edgar of Pennsylvania, then chairman of the Subcommittee on Education, Training and Employment during the 97th Congress, went a long way toward strengthening education programs and providing an improved and more effective program of job training and job placement for unemployed and underemployed veterans.

The economic realities, however, dictate that we do even more and that we do it soon to insure that the veterans of our country's longest and most controversial war do not join the ranks of the permanently dependent.

It seems to me that in this time of severe unemployment that training and retraining are badly needed by our Nation's veterans and, particularly this group of our veterans population.

In an emergency situation such as we have now, with the deepest recession in post-war history, we need to establish an emergency program that will enable veterans to re-enter the work force in occupations in which there is substantial probability of long-term employment.

I firmly believe that these training programs, which we basically have in H.R. 2355, are reasonable and I believe that they will be effective. Too often Congress has either forgotten veterans in its employment and training plans, as the chairman pointed out, or it has included veterans in programs such as HIRE and HIRE II that, although well-intentioned, have been, in fact, tragic failures.

We must not disappoint our Vietnam and disabled veterans again. We must not allow these veterans to whom we owe so much to stand in the unemployment lines because they do not have the skills which would enable them to get a decent job with a solid future.

I was keenly disappointed that the House Budget Committee decided not to provide specific funding for this program. I think that decision was a great mistake and I intend to do everything that I can to see that that money is restored. We as a nation have an obligation to assist the hundreds of thousands of unemployed veterans who represented their country in Vietnam or were disabled while serving in our Armed Forces.

This legislation is a modest but firm step in that direction and deserves to be funded and enacted into law. I think that we have heard today, as we have throughout the hearings on this legislation, some excellent testimony. All of the representatives of the veterans organizations favor the legislation. I can assure you that I will recommend to the subcommittee at an early date that the legislation be reported to the full committee.

We know that time is of the essence and we will be extending our best efforts to have the legislation reported and passed by the House as soon as possible.

Again, I want to thank all of the witnesses who have appeared at the hearing today, who have participated in this legislation as it was developed and introduced prior to the hearings.

Would my colleague, Mr. Smith, have any closing statement?

Mr. **Smith** of Oregon. I just would echo your comments, Mr. Chairman. I thought the testimony was very worthwhile.

Mr. **Leath**. Thank you. Mr. Richardson?

Mr. **Richardson**. Mr. Chairman, I would like to commend your leadership and that of Chairman Montgomery. I think that these committees of Congress, Veterans' Affairs in the Senate and the House are probably one of the last hopes for our Nation's Vietnam veterans and I look forward to the markup.

Mr. **Leath**. We thank you. Mr. Chairman?

Mr. **Montgomery**. Thank you, Marvin. I certainly will do all I can to see that we can get this legislation moving.

One other matter of importance to this subcommittee on education, training and employment, is the reestablishment of a GI bill. I am a member, as you know, of the House Armed Services Committee where H.R. 1400, which is the peacetime GI education bill, was jointly referred. When the personnel subcommittee of the House Armed Services Committee meets I will try to amend the personnel section of the Armed Services Committee bill, the authorization to put the educational bill on there.

Then, if we are able to do it—and I am not sure whether we can do it or not—then, Mr. Chairman, we will have to move ahead in this subcommittee with some type of educational bill. I think that will speed up the process and I feel confident we can easily get it out of this committee. But the problem will be in the House Armed Services Committee, but this is a good vehicle, the authorization bill, to try to move it forward and move it out.

Mr. **Leath**. I totally agree with the chairman. As he knows, we have already had hearings in the subcommittee on H.R. 1400 and I think that——

Mr. **Montgomery**. Of course you serve on the Armed Services Committee too. I wish you were the only person there.

Mr. **Leath**. Thank you very much, Mr. Chairman.

Without objection the hearing record will remain open for 3 additional days to receive statements for the hearing record.

The subcommittee will stand adjourned.

[Whereupon, at 11:30 a.m., the subcommittee was adjourned.]

APPENDIX

I

98th CONGRESS
1st Session

H. R. 2355

To establish an emergency program of job training assistance for disabled veterans and veterans of the Vietnam era.

IN THE HOUSE OF REPRESENTATIVES

March 24, 1983

Mr. Leath of Texas (for himself, Mr. Solomon, Mr. Montgomery, Mr. Hammerschmidt, Mr. Edgar, Mr. Evans of Illinois, Ms. Kaptur, Mr. Slattery, Mr. Richardson, and Mr. Hefner) introduced the following bill; which was referred to the Committee on Veterans' Affairs

---

A BILL

To establish an emergency program of job training assistance for disabled veterans and veterans of the Vietnam era.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Emergency Vietnam Veterans' Jobs Training Act of 1983".

FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds that—

(1) there is severe and continuing unemployment among veterans, and particularly among veterans of

the Vietnam era and veterans with service-connected disabilities;

(2) because of the condition of the economy, many persons, including many veterans, who previously have been successfully employed are currently unemployed and in many cases have been unemployed for a period of fifteen weeks or longer;

(3) many persons, including many veterans, who have lost jobs have skills in fields in which employment is declining and therefore need to be retrained to qualify for employment opportunities in new fields of employment;

(4) there is a special national responsibility to veterans who served during a period of hostilities or who suffered service-connected diseases or disabilities;

(5) because of this special national responsibility and current economic conditions, it is appropriate to establish an emergency jobs program designed specifically to address the existing severe unemployment problems of such veterans in order to assist such veterans in obtaining productive and not make-work jobs.

(b) The purpose of the program created by this Act is to provide incentives to employers to hire veterans who served during a period of hostilities or who have suffered service-connected disabilities under a program in which the veterans will be hired for positions that involve significant training or retraining and the costs of the training will be partially defrayed by the United States.

(c) In order to carry out the intent of Congress under this Act, the Administrator and the Secretary of Labor shall take all steps to carry out the program provided for in this Act in a vigorous and expeditious manner to achieve the goals of this Act.

DEFINITIONS

SEC. 3. For the purposes of this Act:

(1) The term "eligible veteran" means a veteran—

(A) who served in the active military, naval, or air service for a period of more than one hundred and eighty days, any part of which was during the Vietnam era; or

(B) who is a disabled veteran in receipt of (or who but for the receipt of retirement pay would be in receipt of) compensation under chapter 11 of title 38, United States Code, for a disability incurred or aggravated after August 4, 1964.

(2) The term "Administrator" means the Administrator of Veterans' Affairs.

(3) The terms "veteran", "active military, naval, or air service", "Vietnam era", "compensation", and

"State" have the meanings given such terms in section 101 of title 38, United States Code.

ESTABLISHMENT OF PROGRAM

SEC. 4. The Administrator shall carry out a program in accordance with this Act to assist eligible veterans in obtaining employment through on-job training in jobs providing significant training opportunities. The program shall be carried out through payments to employers who employ eligible veterans in jobs that involve significant training of employees in order to assist such employers in partially defraying the cost of that training.

ELIGIBILITY FOR PROGRAM

SEC. 5. (a) To be eligible for participation in a job training program under this Act, an eligible veteran must have been unemployed for not less than fifteen of the last twenty weeks at the time of applying for participation in the program. To be considered unemployed for purposes of this paragraph, a veteran must be without a job and want and be available for work. The determination of whether a veteran is without a job shall be made in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed.

(b) An eligible veteran who wants to undertake a program of job training under this Act shall submit an application for such program to the Administrator. Any such application shall be in such form and contain such information as the Administrator may prescribe. The Administrator may not approve such an application if the Administrator finds that the veteran is already qualified for the job for which the training would be provided.

(c) The maximum period of training for which assistance may be provided on behalf of a veteran under this Act is—

(1) twelve months in the case of a veteran with a service-connected disability rated at 30 per centum or more; and

(2) six months in the case of any other eligible veteran, with an additional six months of training assistance allowable in individual cases at the discretion of the Administrator.

EMPLOYER JOB TRAINING PROGRAMS

SEC. 6. (a) In order to qualify as a training program under this Act, a job training program of an employer must provide training approved under this Act for a period of not less than six months.

(b) Subject to the provisions of this Act, an eligible veteran approved for participation in a program under this Act may select an approved program of job training with any for-profit private employer which hires the veteran into the regular work force of the employer with the expectation by the employer of permanent employment of the veteran after the training ends.

PAYMENTS TO EMPLOYERS

SEC. 7. (a) Subject to subsection (b), the Administrator shall make payments under this section to an employer of a veteran participating in an approved job training program under this Act. Such payments shall be for the purpose of defraying, in part, the costs of the veteran's training and, in the case of an employer employing a disabled veteran, of defraying the costs of making structural changes to the employer's workplace to remove architectural barriers. The amount paid to an employer on behalf of a veteran for any period may not exceed 50 per centum of the amount of the wages paid to the veteran by the employer for that period, determined without regard to any increase in rate of wages above the starting rate paid the veteran by the employer.

(b) Payments shall be made at the end of each three-month period (or fraction thereof) that a veteran participates in a job training program. Payment may not be made to an employer under this Act on behalf of a veteran until the Administrator has received—

(1) from the veteran, a certification as to the veteran's actual employment and training with the employer during that period; and

(2) from the employer, a certification that the veteran was employed and progressing satisfactorily while pursuing a program of training during that period.

APPROVAL OF EMPLOYER JOB TRAINING PROGRAMS

SEC. 8. (a) An eligible employer may be paid assistance on behalf of an eligible veteran employed by such employer and participating in a job training program of that employer only if the program is approved in accordance with such procedures as the Administrator may by regulation prescribe and if the program meets the other requirements of this section.

(b) An employer offering a program of training that the employer wants to have approved for the purposes of this Act shall submit to the Administrator (or other entity designated by the Administrator) a written application for such approval. Any such application shall, in addition to furnishing such information as is required by the Administrator, contain a certification that—

(1) the wages and benefits to be paid to a veteran participating in the employer's program of training are not less than the wages and benefits normally paid employees participating in such a program of training religious activities; or

(2) the amount of assistance to be paid to the employer on behalf of the veteran for any period does not exceed 50 per centum of the amount of the wages to

be paid to the veteran by the employer for that period, determined without regard to any increase in rate of wages above the starting rate paid the veteran by the employer; and

(3) there is a reasonable certainty that a position of the type of position for which the veteran is to be trained will be available to the veteran at the end of the training period.

(c) Before approving a program of training, the Administrator must find (upon investigation) that the following criteria are or will be met with respect to that program:

(1) The job which is the objective of the training is one in which progression and appointment to the next higher classification are based upon skills learned through organized and supervised training on the job and not on such factors as length of service and normal turnover.

(2) The training content of the program is adequate to qualify a veteran participating in the program for a job in the field for which training is to be provided.

(3) The field or job for which training is to be provided customarily requires full-time training for a period of not less than six months.

(4) The length of the training period under the proposed program is not longer than that customarily required by employers in the community to provide a person with the skills and knowledge needed in order to become competent in the field or job for which training is to be provided.

(5) There is in the training establishment or place of employment adequate space, equipment, instructional material, and instructor personnel to provide satisfactory training.

(6) Adequate records will be kept by the employer to show the progress made by each veteran participating in the program.

(7) No currently employed worker will be displaced (including a partial displacement such as a reduction in nonovertime work hours, wages, or benefits), and no laid-off worker will be prevented from recall, due to the establishment of the training program and the hiring of veterans for the program.

(8) The program of training will not be given to veterans who are already qualified by training and experience for the job for which training is to be provided.

(9) There is a reasonable certainty that a position for which a veteran is to be trained will be available to the veteran at the end of the training period.

(10) The training program of the veteran will be stated in a written agreement signed by the employer and the veteran, and a copy of the signed training agreement will be provided to the veteran and the Administrator.

(11) The program meets such other criteria as may be established by the Administrator.

(d) A program of job training under this Act may be an apprenticeship program.

INELIGIBLE TYPES OF PROGRAMS

SEC. 9. The Administrator may not approve the enrollment of a veteran in a program of training—

(1) for employment which consists of seasonal, intermittent, or temporary jobs, except that the Administrator may approve enrollment in a program for employment on a seasonal basis if the Administrator determines such enrollment to be appropriate;

(2) for employment in an industry in which a substantial number of experienced workers are unemployed;

(3) for employment under which commissions are the primary source of income;

(4) for employment which involves political or religious activities; or

(5) if the training program will not be carried out in a State.

DISCONTINUANCE OF PAYMENTS FOR UNSATISFACTORY CONDUCT OR PROGRESS

SEC. 10. (a) The Administrator may not make a payment on behalf of a veteran under this Act if the Administrator finds that, according to standards that the Administrator may prescribe or the regularly prescribed standards of the employer, the conduct or progress of the veteran is unsatisfactory due to circumstances within the control of the employer. Unless the Administrator finds there are mitigating circumstances, progress may not be considered unsatisfactory if the veteran is progressing at a rate that will permit the veteran to complete the training program within the training period.

(b) The Administrator may renew the payment of assistance suspended under subsection (a) only if the Administrator finds that the cause of the failure to complete training has been removed.

DISAPPROVAL OF EMPLOYER JOB-TRAINING PROGRAMS

SEC. 11. If the Administrator finds at any time that a program of training previously approved by the Administration for the purposes of this Act thereafter fails to meet any of the requirements of this Act, the Administrator shall immediately disapprove further participation by eligible veterans under that program. An eligible employer which has its program disapproved under this section shall be notified of such disapproval by a certified or registered letter, and a return receipt shall be secured.

INSPECTION OF RECORDS

SEC. 12. The records and accounts of employers pertaining to veterans who have received job training assistance under this Act, as well as other records which the Administrator determines necessary to ascertain compliance with the requirements of this Act, shall be available at a reasonable time for examination by authorized representatives of the Government.

JOBS-SKILLS TRAINING THROUGH VOCATIONAL TRAINING

SEC. 13. (a) A veteran who is eligible for a program of job training under section 5 of this Act may, in lieu of pursuing a program of training with an employer, pursue a full-time program of training with a vocational objective through an educational institution which has been approved for pursuit of such training under chapter 34 or 36 of title 38, United States Code. Any such training program must be of at least six months duration and must be in an employment field for which the Administrator finds (1) that there is a reasonable probability that upon completion of training over 50 per centum of the persons trained will be able to find jobs in the skill in which trained, and (2) that there is a substantial probability of long-term employment.

(b) The period of such training may not exceed that set forth in section 5(c) of this Act. Payment for such training shall be made monthly to the veteran to reimburse the veteran for the cost of the tuition, fees, books, supplies, and equipment which the educational institution requires similarly circumstanced nonveterans enrolled in the same program to pay and may not exceed $500 a month.

(c) An educational assistance payment may not be made to an eligible veteran enrolled in a program of training under this section until the Administrator has received—

(1) from the [illegible] certification as to the veteran's actual attend[illegible]ing the month for which payment is to be ma[illegible]

(2) from the educational institution a monthly certification or an endorsement on the veteran's certificate that the veteran was enrolled in, was actually attending, and was satisfactorily progressing in the approved training program.

(d) If the Administrator finds that an overpayment has been made to a veteran receiving benefits under this program, based upon an erroneous certification made under subsection (c), the veteran and the educational institution shall be liable to the Veterans' Administration in the same manner as provided under subsections (a) and (b) of section 1785 of title 38, United States Code, and the overpayment may be recovered in the same manner as any other debt due the United States.

(e) Benefits may not be paid under this section—

(1) for pursuit of a program of flight or correspondence training;

(2) for training barred under clause (3), (4), or (5) of section 9; or

(3) when the Administrator determines, pursuant to regulations which the Administrator shall prescribe, that the veteran is not making satisfactory progress in the veteran's program, unless the Administrator finds there are mitigating circumstances.

(f) No more than $25,000,000 may be obligated under this section in any fiscal year.

COORDINATION WITH GI BILL

SEC. 14. A veteran may not receive benefits under this Act and under chapters 31, 32, or 34 of title 38, United States Code, or chapter 107 of title 10, United States Code, for the same period.

INFORMATION AND OUTREACH

SEC. 15. (a) The Administrator (in consultation and cooperation with the Secretary of Labor) shall provide for an outreach and public information program—

(1) to inform eligible veterans about the employment and job training opportunities under this Act, under title 38, United States Code, and under other provisions of law; and

(2) to inform employers (including Federal contractors and subcontractors, Federal agencies, labor unions, and educational institutions) of their responsibilities and opportunities with respect to such veterans.

(b)(1) The Administrator (after consultation with the Secretary of Labor) shall establish procedures to inform employers of the advantages of developing job training opportunities for veterans under this Act. The Administrator shall make every effort to obtain the assistance of disabled veterans outreach program specialists employed under section 2003A of title 38, United States Code, in informing employers of such opportunities.

(2) The Administrator shall also assign personnel in regional offices of the Veterans' Administration as necessary to facilitate the development, approval, and monitoring of programs under this Act.

(c)(1) The Secretary of Labor shall take steps to provide for the participation of eligible veterans in training programs under this Act and under title III of the Jobs Training Partnership Act (Public Law 97-301). In carrying out this responsibility, the Secretary of Labor shall consult with and solicit the cooperation of the Administrator.

(2) The Secretary of Labor shall make special efforts to inform eligible veterans of the training opportunities available under this Act and to coordinate such opportunities with those job opportunities authorized under chapters 41 and 42 of title 38, United States Code, and other similar job opportunities offered by other public agencies and organizations.

COUNSELING

SEC. 16. The Administrator and the Secretary of Labor shall, upon request, provide employment counseling services to any eligible veteran in order to assist such veteran in selecting a suitable program of job training under this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 17. There is authorized to be appropriated to the Veterans' Administration to carry out this Act $25,000,000 for fiscal year 1983 and $150,000,000 for each of fiscal years 1984 and 1985.

TERMINATION OF PROGRAM

SEC. 18. A veteran may not apply for a program of job training under this Act after the end of the fifteen-month period beginning on the effective date of this Act. Assistance may not be paid to an employer under this Act for any period after the end of the twenty-seven-month period beginning on the effective date of this Act.

EFFECTIVE DATE

SEC. 19. This Act shall take effect on July 1, 1983.

STATEMENT OF DOROTHY L. STARBUCK
CHIEF BENEFITS DIRECTOR
VETERANS ADMINISTRATION
BEFORE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES
April 19, 1983

Mr. Chairman and Members of the Subcommittee:

We appreciate the opportunity to appear before you today to provide you with the views of the Veterans Administration on H.R. 2355, a measure proposing to establish an emergency program of job training assistance for certain disabled veterans and veterans of the Vietnam era.

The program is designed to assist eligible veterans in obtaining employment through on-job training in jobs providing significant training opportunities. The measure would accomplish this goal by either providing incentives to employers to hire eligible veterans with the cost of their training partially defrayed by the Veterans Administration, or through a program of full-time training in an educational institution approved for vocational training.

Mr. Chairman, the Administration opposes the enactment of any jobs bill for veterans. We would point out that Public Law 98-8, the comprehensive jobs bill, was recently enacted into law providing a substantial sum of our Nation's budget for providing jobs for our general population and this should be given an opportunity to work..

We would emphasize that, since the enactment of Public Law 96-466 in 1980, the Veterans Administration has been given the authority to directly place in jobs those veterans who have trained under our vocational rehabilitation program. We believe that many of the disabled veterans who would be included in H.R. 2355 could be assisted through this important VA program. Based upon this fairly recent authority, a major responsibility of the VA is the development of a comprehensive plan known as a Individualized Employment Assistance Plan (IEAP) which identifies specific services and benefits which the veteran may receive during an employment assistance period of up to 18 months. Approximately 4,000 such IEAP's were prepared during Fiscal Year 1982.

Veterans who train under our vocational rehabilitation program also have available to them a variety of services in addition to the job placement aid. These include needed medical services, supplies needed by the veterans to begin employment, assistance in obtaining licensure where needed, and on-job training during which time veterans receive a subsistence allowance from the VA.

Last summer the VA and the Department of Labor entered into a comprehensive agreement covering coordination between the two agencies in providing employment assistance not only for our vocational rehabilitation trainees, but for other veterans as well. Under this new comprehensive agreement we work with the State Employment Service Agency, including close coordination with the Disabled Veterans Outreach Program (DVOP).

The Department of Labor also has current authority under chapters 41 and 42 of title 38, United States Code, to assist veterans in job placement and training. Special emphasis is given to disabled and Vietnam era veterans.

With the availability of assistance under the comprehensive jobs bill just getting under way, the job placement authority we have under our vocational rehabilitation program, the on-job and apprentice training programs we offer under the GI Bill and dependents programs, and the coordination we have with the Department of Labor in these many areas, it is the Administration's view that a special jobs training program for veterans is not needed at this time.

Mr. Chairman, that completes my statement. I will be pleased to respond to any questions which you or Members of the Subcommittee may have.

STATEMENT OF WILLIAM C. PLOWDEN
ASSISTANT SECRETARY FOR
VETERANS EMPLOYMENT AND TRAINING
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

April 19, 1983

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to present our views on H.R. 2355, which would establish an emergency program of job training assistance for Vietnam-era veterans and certain disabled veterans.

We agree with the premise of the bill, that there is a significant employment problem for veterans, particularly for Vietnam-era and disabled veterans and that new and effective job training approaches for these veterans must be developed. However, we can not support H.R. 2355 for several reasons.

We are concerned that H.R. 2355 establishes a duplication of authority which in the long run may have an adverse effect on services to veterans. The Veterans Administration is not prepared to administer an employer reimbursement on-job-training program.

The Department of Labor and its affiliated State Employment Security Agencies and national employment and training network are in the training and employment business and have an established labor exchange system that provides services to employers and job seekers. The legal mandate of my office is to provide veterans with the maximum of employment and training opportunities through existing programs, coordination and merger of programs, and implementation of new programs.

Recently, with the passage of the Job Training Partnership Act, (P.L. 97-300) and the Veterans' Compensation, Education and Employment Amendments of 1982 (P.L. 97-306) the Congress reaffirmed their recognition of veterans employment needs and responsibility to meet these needs, by establishing a national veterans employment program to be administered by the Department of Labor through the Office of the Assistant Secretary for Veterans Employment and Training. We are at the point of issuing proposed rules for implementing this program. The broad authority given us to establish and implement a national veterans' employment program would allow implementation of an employer reimbursement OJT program.

Mr. Chairman, in conclusion, let me again state that we favor increased job training and placement efforts for veterans and we are making such efforts. Our efforts are bolstered by the fact that the economy is now moving into a period of recovery that will yield new job opportunities in which veterans will share. We have stepped up our outreach efforts both to veterans and to employers through the resources currently available. We are in the process of allocating approximately $500,000 in additional Fiscal Year 1983 funds made available to the Veterans' Employment and Training Service (VETS) by Secretary of Labor, Raymond J. Donovan. These funds are being used to finance special projects in high-unemployment areas for two principal reasons: First, to help meet the immediate need for increased veterans' employment efforts, and, secondly, to give guidance to states as to types of projects they might finance with Job Training Partnership Act funds when those funds are made available October 1 for projects not only under Title IV(c) earmarked for veterans but also under Titles II and III. We firmly believe that the Department of Labor is the proper agency to continue to administer employment, job training and labor exchange functions. Strong coordination with the Veterans Administration is necessary, but, we can not support establishing a duplication of functions and responsibility for employment matters.

Thank you for this opportunity. I will be pleaed to respond to any questions you may have.

STATEMENT

of

MARVIN P. BUSBEE, LEGISLATIVE DIRECTOR

NATIONAL ASSOCIATION OF
STATE APPROVING AGENCIES

before

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

COMMITTEE ON VETERANS' AFFAIRS

U. S. HOUSE OF REPRESENTATIVES

WASHINGTON, D. C.

APRIL 19, 1983

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

THE MEMBERSHIP OF THE NATIONAL ASSOCIATION OF STATE APPROVING AGENCIES EXPRESSES THEIR APPRECIATION FOR THIS OPPORTUNITY AND PRIVILEGE TO APPEAR BEFORE THIS SUBCOMMITTEE TO PRESENT OUR VIEWS ON H.R. 2355, THE EMERGENCY VIETNAM VETERANS JOBS TRAINING ACT OF 1983.

THE MEMBERSHIP OF OUR ASSOCIATION, FORMED IN 1947, IS COMPRISED OF ADMINISTRATORS OF STATE APPROVING AGENCIES IN THE SEVERAL STATES RESPONSIBLE FOR ADMINISTERING THE EDUCATION AND TRAINING PROGRAM FOR VETERANS AND OTHER ELIGIBLE PERSONS.

AUTHORS OF THE ORIGINAL GI BILL FOR VETERANS OF WORLD WAR II RECOGNIZED THE RESPONSIBILITY OF THE STATE FOR THE EDUCATION OF ITS CITIZENS. THUS, THEY REQUESTED EACH STATE TO ESTABLISH ITS STATE APPROVING AGENCY FOR PURPOSES OF THE LAWS RELATING TO VETERANS EDUCATION AND TRAINING. AUTHORS OF THE GI BILL FOR THE KOREAN CONFLICT VETERANS, THE WAR ORPHANS EDUCATIONAL ASSISTANCE ACT, AND THE TWO SUBSEQUENT GI BILLS AGAIN PROVIDED FOR THE

APPROVAL OF COURSES AND TRAINING PROGRAMS BY STATE APPROVING AGENCIES. THEIR ACTIVITIES AND THE MANNER OF WHICH THEY HAVE CARRIED OUT THEIR RESPONSIBILITIES HAVE BEEN REVIEWED OVER A PERIOD OF 35 YEARS BY MEMBERS OF THE CONGRESS AND THE EXECUTIVE BRANCH.

THE INTENT OF THE CONGRESS WAS STATED CLEARLY IN A CONFERENCE REPORT WHICH RESULTED IN THE ENACTMENT OF A GI BILL FOR POST-KOREAN CONFLICT VETERANS. THE REPORT IS QUOTED, IN PART, AS FOLLOWS: THE SYSTEM OF APPROVAL OF EDUCATIONAL INSTITUTIONS (AND THIS INCLUDES JOB TRAINING ESTABLISHMENTS) BY STATE APPROVING AGENCIES, HAS PROVEN ITS WORTH IN CONNECTION WITH THE WORLD WAR II AND KOREAN GI BILLS AND THE WAR ORPHANS EDUCATIONAL ASSISTANCE ACT, HAS BEEN CONTINUED WITH RESPECT TO THE NEW PROGRAM. THE COMMITTEE LOOKS TO THE APPROVAL FUNCTIONS AS ONE OF THE BASIC SAFEGUARDS AGAINST ABUSE AND THEREFORE EXPECTS THAT THESE APPROVAL AND SUPERVISORY EFFORTS WILL BE FULLY SUPPORTED BY THE VETERANS ADMINISTRATION.

OUR ASSOCIATION BELIEVES THAT THE STATE APPROVING AGENCIES IN THE SEVERAL STATES, ARE WORKING PARTNERS OF THE VETERANS AND THAT BELONGING TO THIS PARTNERSHIP ARE CHARGED WITH CERTAIN RESPONSIBILITIES, AMONG WHICH ARE:

1. MAINTAINING A WORKING KNOWLEDGE OF LOCAL AND NATIONAL CONDITIONS, METHODS AND PROBLEMS.
2. PROVIDING TRAINED PERSONNEL NECESSARY IN GIVING PROMPT AND EFFICIENT SERVICE.
3. BEING ALWAYS READY AND WILLING TO OFFER GUIDANCE ON PROBLEMS.

4. MAINTAINING HIGH STANDARDS TO INSURE EACH VETERAN OF THE BEST POSSIBLE TRAINING.

WE BELIEVE, FINALLY, THAT BELONGING TO THIS PARTNERSHIP IS A TRUST, A TRUST TO BE CONSTANTLY EXERCISED BY BEING AT ONE TIME A GOOD CITIZEN, A CONSCIENTIOUS WORKER AND BY MAKING OURS THE BEST PROGRAM POSSIBLE---AND, IF WE DO THIS, WE BELIEVE WE WILL HAVE ACCOMPLISHED OUR PURPOSE.

IN PREPARING THIS STATEMENT, IT IS RECOGNIZED THAT THROUGH THE UNESCAPABLE FACTS IN THE REPORTING PROCESS, REFERENCES NECESSARY WOULD BE MADE WHICH MIGHT BE INTERPRETED AS CONTROVERSIAL, OR CONDEMNING OF ACTIONS BY PERSONS AND/OR GROUPS. I WISH TO STATE IN ALL FAIRNESS, IT IS NOT THE INTENT NOR PURPOSE OF THIS REVIEW TO CRITICIZE UNFAIRLY ANY PERSON, OR GROUP OF PERSONS INVOLVED IN THE PROCESSING LEADING UP TO THE PRESENT DAY FUNCTION OF THE STATE APPROVING AGENCIES.

THE COMMENTS BY OUR ASSOCIATION ARE AS FOLLOWS:

SECTION I - TITLE: AGREE AND SUPPORT

SECTION II - FINDINGS AND PURPOSE: AGREE AND SUPPORT; HIGHLY SUPPORTIVE OF PROVIDING INCENTIVES TO EMPLOYERS TO HIRE VETERANS. BASICALLY IN SUPPORT OF THE ADMINISTRATOR AND THE SECRETARY OF LABOR FOR CARRYING OUT THIS PROGRAM, BUT WITH THE ADDITIONAL ASSISTANCE OF THE STATE APPROVING AGENCIES. OUR ASSOCIATION RECOMMENDS THAT WE BE AUTHORIZED THE APPROVAL PROCESS.

SECTION III - DEFINITION: CONCUR

SECTION IV - ESTABLISHMENT OF PROGRAM: CONCUR

SECTION V - CONCUR

SECTION VI - CONCUR

SECTION VII - SUGGEST THAT CONSIDERATION BE GIVEN TO A DECREASING SCALE.

ALSO SUGGEST THAT CONSIDERATION BE GIVEN THAT PAYMENTS NOT BE MADE AT THE END OF THREE MONTHS PERIOD (OR FRACTION THEREOF)---THAT PAYMENTS BE WITHHELD UNTIL THE COMPLETION OF THE TRAINING PROGRAM AND THE VETERAN IS PERMANENTLY EMPLOYED.

SECTION VIII - DO NOT CONCUR: APPROVAL OF PROGRAMS AS PRESENTLY DRAFTED IS LEFT IN COMPLETE CONTROL OF THEIR ADMINISTRATOR. ALL PRIOR LEGISLATION HAS CHARGED STATE APPROVING AGENCIES WITH THE RESPONSIBILITY OF THE APPROVAL OF TRAINING ON-THE-JOB AND FOR APPRENTICESHIP. STATE APPROVING AGENCIES SHOULD BE AUTHORIZED TO CONTINUE TO FUNCTION AS THEY HAVE IN THE PAST, TO APPROVE AND SUPERVISE JOB TRAINING PROGRAMS. CONGRESS HAS DILIGENTLY ENDEAVORED IN THE PAST, TO KEEP THE SOVERIGN RIGHTS OF THE STATES TO CHARTER AND CONTROL THEIR OWN TRAINING ESTABLISHMENT AND THE ADMINISTRATOR HAS NOT HAD STATUTORY AUTHORITY TO BECOME INVOLVED IN THE QUALITY OF THE TRAINING. CONGRESS HAS ALWAYS BEEN ADAMANT THAT THE STATES WOULD BE IN CONTROL OF WHICH ESTABLISHMENTS AND/OR INSTITUTIONS WHO WOULD PARTICIPATE IN THE VETERANS EDUCATION TRAINING PROGRAM.

TIME AFTER TIME, CONGRESS HAS REAFFIRMED THE ROLE OF THE STATE APPROVING AGENCIES. THE ADMINISTRATOR DOES NOT HAVE STAFF NOR DO WE BELIEVE THEY COULD EMPLOY AN ADEQUATE STAFF, TRAIN THEM TIMELY ENOUGH THROUGHOUT EACH STATE, TO COVER THE INVESTIGATION NECESSARY TO DETERMINE IF THE CRITERIA OF THE PROGRAM IS MET. THE CRITERIA ESTABLISHED BY THIS ACT IS THE SAME AS BEING PRESENTLY APPLIED BY STATE APPROVING AGENCIES TO APPROVE

PROGRAMS UNDER CHAPTERS 34 AND 35, TITLE 38, U. S. CODE. OUR STATE APPROVING AGENCIES ARE PRESENTLY STAFFED, TRAINED AND OPERATIVE, AND WOULD BE THE LOGICAL AGENCY TO PROVIDE APPROVAL INFORMATION TO THE VETERANS ADMINISTRATION.

OUR ASSOCIATION RECOMMENDS A NEW PARAGRAPH FOR SECTION 8(b) AS FOLLOWS: "AN EMPLOYEE OFFERING A PROGRAM OF TRAINING THAT THE EMPLOYER WANTS TO HAVE APPROVED FOR THE PURPOSE OF THIS ACT, SHALL SUBMIT TO THE STATE APPROVING AGENCY A WRITTEN APPLICATION FOR SUCH APPROVAL. ANY SUCH APPLICATION SHALL, IN ADDITION TO FURNISHING SUCH INFORMATION AS IS REQUIRED BY THE STATE APPROVING AGENCY, CONTAIN A CERTIFICATION THAT---

8(b) (1) CONCUR

8(b) (2) CONCUR

8(b) (3) CONCUR

8(c) DELETE AND CHANGE TO "BEFORE APPROVING A PROGRAM OF TRAINING THE STATE APPROVING AGENCY MUST FIND (UPON INVESTIGATION) THAT THE FOLLOWING CRITERIA IS OR WILL BE MET WITH RESPECT TO THE PROGRAM:

(1) THROUGH (8) CONCUR.

CHANGE (9) TO THE FOLLOWING: "THE TRAINING PROGRAM OF THE VETERAN WILL BE STATED IN A WRITTEN AGREEMENT SIGNED BY THE EMPLOYER, THE VETERAN AND THE STATE APPROVING AGENCY AND A COPY OF THE SIGNED TRAINING AGREEMENT WILL BE PROVIDED TO THE VETERAN, THE EMPLOYER AND TO THE ADMINISTRATOR."

(10) DELETE AND CHANGE AS FOLLOWS: "THE PROGRAM MEETS SUCH OTHER CRITERIA AS MAY BE ESTABLISHED BY THE STATE APPROVING AGENCY."

(d) CONCUR

INELIGIBLE TYPES OF PROGRAMS

SECTION 9 (1) - CONCUR

SECTION 9 (2) - CHANGE AS FOLLOWS: "FOR EMPLOYMENT IN AN INDUSTRY IN WHICH A SUBSTANTIAL NUMBER OF EXPERIENCED WORKERS ARE UNEMPLOYED WITHIN LOCAL HIRING RADIUSES.

SECTION (3) THROUGH (5) - CONCUR

PROGRESS

SECTION 10 - CONCUR

DISAPPROVAL OF AN EMPLOYER PROGRAM

SECTION 11 - DELETE AND SUBSTITUTE THE FOLLOWING: "IF THE STATE APPROVING AGENCY FINDS AT ANY TIME THAT A PROGRAM OF TRAINING PREVIOUSLY APPROVED BY THE STATE APPROVING AGENCY FOR THE PURPOSE OF THIS ACT, THEREIN AFTER FAILS TO MEET ANY OF THE REQUIREMENTS OF THIS ACT, THE STATE APPROVING AGENCY SHALL IMMEDIATELY DISAPPROVE FURTHER PARTICIPATION BY ELIGIBLE VETERANS UNDER THIS PROGRAM. AN ELIGIBLE EMPLOYER, WHO HAS PROGRAMS DISAPPROVED UNDER THIS SECTION SHALL BE NOTIFIED OF SUCH DISAPPROVAL BY A CERTIFIED OR REGISTERED LETTER, AND A RETURN RECEIPT SHALL BE SECURED.

INSPECTION OF RECORD

SECTION 12 - ADD TO LINE 10 AFTER GOVERNMENT (FEDERAL AND STATE).

JOBS-SKILLS TRAINING THROUGH INSTITUTIONS

SECTION 13 - MAKE THIS CHANGE BEGINNING WITH LINE 16: ANY SUCH TRAINING PROGRAM MUST BE OF AT LEAST SIX MONTHS DURATION AND MUST BE IN AN EMPLOYMENT FIELD OR INDUSTRY AND MEET THE FOLLOWING PERFORMANCE STANDARDS:

60% OF THOSE ENROLLED WILL BE EMPLOYED IN TRAINING RELATED JOBS.

THE TRAINING PROGRAM SHOULD HAVE "JOB SEARCHED SKILLS ASSISTANCE." (NOTE: THIS EMPLOYMENT AND TRAINING SERVICE MAY INCLUDE TRANSITION SERVICES SUCH AS JOB SEEKING SKILLS INSTRUCTION, INDIVIDUALIZED JOB SEARCH PLAN DEVELOPMENT, PROVISIONS FOR LABOR MARKET INFORMATION, AND OTHER SPECIAL ACTIVITIES/ SERVICES FOR TRANSITION THROUGH THE UNSUBSIDIZED EMPLOYMENT.)

INFORMATION AND OUTREACH

SECTION 14 - DELETE (2)

INASMUCH AS STATE APPROVING AGENCIES ARE BETTER TRAINED TO INFORM EMPLOYERS OF THEIR RESPONSIBILITIES AND OPPORTUNITIES WITH RESPECT TO SUCH VETERANS AND ARE MORE LIKELY TO BE IN CLOSER CONTACT WITH THE EMPLOYERS TO ENCOURAGE EMPLOYMENT OF THESE VETERANS, OUR ASSOCIATION RECOMMENDS AN ADDITIONAL PARAGRAPH AS FOLLOWS:

(3) STATE APPROVING AGENCIES SHALL MAKE SPECIAL EFFORTS TO INFORM ELIGIBLE VETERANS OF THE TRAINING OPPORTUNITIES AVAILABLE UNDER THIS ACT AND TO COORDINATE SUCH OPPORTUNITIES WITH THOSE JOB OPPORTUNITIES NOW AVAILABLE UNDER THE PROVISIONS OF TITLE 38, U. S. CODE, CHAPTERS 34, 35 AND 36.

REIMBURSEMENT OF EXPENSES

STATE APPROVING AGENCIES SHOULD CARRY OUT THE ADDITIONAL APPROVAL, SUPERVISORY AND ADMINISTRATIVE FUNCTIONS OF THIS ACT WITHIN THE CURRENT LEVEL OF FUNDING AUTHORIZED TO CARRY OUT CURRENT CONTRACTURAL RESPONSIBILITIES.

TO ACCOMPLISH THIS, THE ADMINISTRATOR SHOULD ENTER INTO A NEW CONTRACT OR REVISE THE EXISTING CONTRACT WITH STATE APPROVING AGENCIES TO ALLOW SUCH AGENCIES TO CARRY OUT THE APPROVAL AND SUPERVISORY FUNCTIONS OF THIS ACT AS THEY RELATE TO BOTH THE JOB TRAINING AND JOB SKILLS TRAINING PROGRAM THROUGH EDUCATIONAL INSTITUTIONS.

SUGGESTED PROCESS FOR JOB TRAINING

THE STATE APPROVING AGENCY RECEIVES REQUEST FOR APPROVAL.

THE STATE APPROVING AGENCY REPRESENTATIVE VISITS EMPLOYER FOR APPROVAL APPLYING THE LAW, REGULATIONS AND GUIDELINES FOR APPROVAL OF A JOB TRAINING PROGRAM.

THE STATE APPROVING AGENCY DEVELOPS TRAINING PROGRAM, TRAINING AGREEMENT, WAGE SCHEDULE, REIMBURSEMENT SCHEDULE, TRAINING OUTLINE, TRAINING AGREEMENT, VA FORMS AND OTHER FORMS.

WRITES APPROVAL LETTER TO TRAINING ESTABLISHMENT WITH COPY TO THE VETERANS ADMINISTRATION ALONG WITH NECESSARY ENCLOSURES.

THE TIME FRAME FROM RECEIVING A REQUEST, MAKING THE NECESSARY INSPECTION, FILLING OUT THE NECESSARY FORMS AND SUBMITTING TO THE VETERANS ADMINISTRATION SHOULD BE TEN OR LESS WORKING DAYS.

MAKES ONE SUPERVISORY VISIT TO EACH ACTIVE TRAINING ESTABLISHMENT WITHIN SIX MONTHS.

CONCLUSION

I WOULD SUGGEST A PROVISION BE INCLUDED THAT WOULD PROHIBIT A VETERAN WITH ENTITLEMENT FROM ENROLLING IN THIS PROGRAM---POSSIBLY RECEIVING $500 A MONTH---ENROLLING UNDER THE CURRENT EDUCATION AND TRAINING PROGRAM.

MR. CHAIRMAN, THIS CONCLUDES MY PRESENTATION. I WILL BE PLEASED TO RESPOND TO ANY QUESTIONS.

TESTIMONY OF LT. COL. DAVID J. PASSAMANECK, USA, RET.
NATIONAL LEGISLATIVE DIRECTOR, AMVETS

AMVETS appreciate the opportunity to appear before this Subcommittee to express its views on H.R. 2355, 98th Congress, which would establish an emergency program of job training assistance for disabled veterans and Vietnam Era veterans.

AMVETS enthusiastically supports the purpose and substantive objectives of the bill. We demur, however, from the bill's placement of the primary administrative responsibility for the emergency job training and employment program on the Veterans Administration. Recently AMVETS and the veterans community, in general, culminated many years of effort to consolidate the responsibility for veterans employment programs in the Department of Labor, upgrading that function to the level of an Assistant Secretary of Labor for Veterans Employment. Public Law 97-306, in conjunction with Public Law 97-300, require the Secretary of Labor through the Assistant Secretary for Veterans Employment, to administer all National Programs designed to meet the employment and training needs of disabled and Vietnam Era veterans. Now that a veterans' employment delivery system is in place in the Labor Department, we believe it would be wasteful and duplicative to establish an emergency veterans employment program in the VA, which has demonstrated only limited expertise in the area of veterans' employment. The Labor Department's veterans employment specialists should play the substantial role in the disbursement of funds and the monitoring of this excellent and desperately needed program for relieving the nearly 900,000 unemployed Vietnam veterans.

The Veterans Administration has in the past had experience in administering the job training features of the World War II G.I.

Bill and its successors. Its success in this area,in our judgment, has been most pronounced in the full time vocational training field. In any event, the VA has only a limited track record in the currently essential mission of securing permanent, productive jobs for veterans. The Department of Labor has a working staff on board throughout the nation under the Assistant Secretary of Labor for Veterans Employment and his subordinate agency, the Veterans Employment and Training Service and the National Labor Exchange System operated by more than 2300 job service offices. This trained cadre would be ready to implement H.R. 2355 without delay. Additionally, Department of Labor is currently implementing its National Veterans' Employment Program under the Jobs Training, Partnership Act (Public Law 97-300). The Veterans Administration regardless of its experience in the field of employment training, is not currently staffed to implement H.R. 2355. Because of the temporary duration of the emergency program, any increase in the responsibilities of VA would create a wasteful augmentation if its staff for this limited, temporary purpose, while the working professionals of the Department of Labor would not be utilized in the program. The Veterans Administration has admittedly demonstrated some success in job training, especially in rehabilitative training for disabled veterans. VA has, however, not demonstrated particular ability in securing long-term employment for its trainees. Department of Labor has the current capacity to both train and secure employment. It is for this reason that AMVETS sincerely believes that the Department of Labor is better equipped to implement the emergency jobs program than the Veterans Administration.

As to the mechanics for funding this program, AMVETS would not object to an inter-agency arraignment between VA and DOL, should the appropriation for this program be made by way of supplement to the VA budget. We are appreciative of the provision in Section 15 of the bill for "consultations and cooperation" between the Administrator and the Secretary of Labor in the administration of this program. We believe, however, that "consultation and cooperation" would prove to be ineffective in utilizing the recourses of DOL, where the operative responsibility for the program would reside in the VA.

This concludes my testimony. I am prepared to answer your questions, if any.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
HOUSE VETERANS AFFAIRS COMMITTEE
APRIL 19, 1983

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

On behalf of the more than 760,000 members of the Disabled American Veterans, I am pleased to appear before you again today to discuss the ongoing need to provide meaningful employment assistance and programs for this nation's veterans, especially those disabled in time of war or conflict and those of the Vietnam era who continue to suffer high unemployment.

Mr. Chairman, as we know, the Department of Labor does not collect unemployment data on disabled veterans. They do for Vietnam era veterans. In March 1983 there were 835,000 reported unemployed Vietnam era veterans. This represents an official 10.7% unemployment rate. What is not reflected in that rate is the fact that from March 1982 to March 1983 the Vietnam era veteran official civilian noninstitutional workforce decreased by 398,000. The following data are from the Department of Labor's Bureau of Labor Statistics.

TOTAL VIETNAM ERA VETERANS -- 25 YEARS & OVER

	MARCH 1982	MARCH 1983
Civilian Noninstitutional Population	8,668,000	8,270,000
Unemployed	747,000 (9.1%)	835,000 (10.7%)

Our discussion today, Mr. Chairman, will focus primarily on H.R. 2355. We certainly appreciate your action, Mr. Chairman, as well as that of your colleagues, most of whom are members of the House Veterans Affairs Committee, for introducing H.R. 2355.

As we discussed during hearings in February, we believe the need certainly exists to provide meaningful training and other assistance to these veterans and certainly support the objective of H.R. 2355. We would like however, Mr. Chairman, to make certain suggestions and recommendations for your consideration.

In the "Findings And Purpose" [Section 2(a)] Congress finds "(4) there is a special national responsibility to veterans who served during a period of hostilities or who suffered service-connected diseases or disabilities;" (emphasis added). In paragraph (b) the stated purpose of the program "...is to provide incentives to employers to hire veterans who served during a period of hostilities or who have suffered service-connected disabilities...." (emphasis added)

Mr. Chairman, the DAV strongly supports the Congressional finding that there exists a national responsibility to address the needs of these veterans, especially all those with service-connected disabilities. Accordingly with that basic philosophy in mind we must object to the bill's definition of disabled veteran contained in Section 3(1)(B) which restricts it to those individuals who are receiving compensation "...for a disability incurred or aggravated after August 4, 1964." (emphasis added)

Mr. Chairman, we believe that this program should not be so restrictive as to preclude those disabled veterans from earlier wars and conflicts. Accordingly we recommend the deletion of the aforementioned phrase contained in Section 3(1)(B).

ELIGIBILITY FOR PROGRAM

Mr. Chairman, Section 5(a) outlines eligibility and relies on the "...criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed." Mr. Chairman, we believe this definition to be too restrictive because the Department of Labor requires that an individual be actively seeking employment during the time in which the labor market survey is undertaken. We believe that all too often disabled and Vietnam era veterans for various reasons have fallen into the category of the "discouraged worker."

The discouraged worker is one who because of bad economic times or other reasons has given up actively seeking employment. Under the aforementioned criteria, those veterans would be ineligible for the program. We would strongly urge the Committee to amend that requirement. Perhaps, the nearly 400,000 lost in the "Civilian Noninstitutional Population" in the past 12 months are in this group. They should not be "lost" forever.

Section 5(c) delineates the maximum period of training and allows for "...twelve months in the case of veteran with a service -connected disability rated at 30 percentum or more...."

Mr. Chairman, as indicated earlier and also by the findings in the purpose of the bill, we have to disagree with the restriction of applying the twelve month period to only those rated 30 percent or more. We again strongly urge the Committee to modify that and allow twelve months in the case of any honorably discharged service-connected disabled veteran.

We believe and strongly argue that those rated less than 30% in many instances may have severe pronounced employment handicaps. While the percent of disability may be relatively minimal, it has the potential of being severly handicapping to an individual in the job market. Some examples are:

Amputation of two fingers........	20%
Amputation of four toes..........	20%

Ankylosis of the wrist as
a result of a gunshot wound....20%
Residuals of a gunshot wound
to the thigh..................10%

Also, residuals of gunshot wounds to left ankle, knee, or various muscle groups may be 10% or 20% disabling.

We cannot emphasize enough our belief that the 30 percentum should be deleted. The DAV's position continues to be unwaivering on the issue of using 30% as a requirement for eligibility in employment programs.

Mr. Chairman, the bill would also restrict approved programs to employers who are "for-profit." Again, Mr. Chairman, we think this is too restrictive and we hope that the Committee would allow nonprofit organizations to participate.

There are several reasons for this request. Nonprofit organizations have been recognized over the years by various groups to include the Department of Labor and veterans' organizations for their efforts in employing certain disadvantaged categories in our population. Sometimes they are recognized for their efforts on behalf of veterans, disabled veterans, minorities, youth or other disadvantaged workers. Perhaps, the nonprofit groups do a better job overall than do the for-profit employers.

For-profit employers are constantly looking at the "bottom line" -- i.e., are they making a profit and is the employee productive enough to contribute to that profit making scheme. This perhaps is not as significant to the nonprofit employer.

Also, according to the Statistical Abstract of the United States 1982-83 (103rd Edition) there are 451,900 tax exempt service industries under Sections 501 or 521 of the IRS Code. These industries employ more than 14 million individuals -- almost 15% of the total civilian work force. The Department of Commerce advises us that in 1982, tax exempt organizations paid a total of $99.6 billion in compensation to its employees.

Mr. Chairman, we believe that by precluding these employers, we would be making a grave mistake. The potential for their participation is, in our opinion, extremely significant. We urge the Committee to consider including nonprofit organizations in the bill.

Mr. Chairman, we are extremely pleased that the Committee has made provision to allow payments to help defray the cost of making structural changes to the work place for removal of architectural barriers. We strongly support that provision and believe that many employers may be able to benefit directly from that and of course by so doing will indirectly benefit the disabled veteran worker.

Mr. Chairman, there has been considerable discussion as to who will administer the program, i.e. the Veterans Administration or the Department of Labor. The DAV believes that unless there is strong coordination and cooperation between the two, then the program will fall short of its stated purpose.

The Veterans Administration certainly has a long record of providing on-the-job training benefits to this nation's veterans. That history includes some positive results and some not so positive. There does exist a structure within the Veterans Administration to administer the program. We have reservations about the VA's ability to market an on-the-job training program of this nature without help. We believe that the personnel employed under the Disabled Veterans Outreach Program (DVOP) could very adequately and professionally provide the needed development of contacts with employers to urge their participation in the program. We also feel that existing field staff of the Veterans Employment Service, as well as the VA's Vocational Rehabilitation Services has the capacity and the ability to market this program at their respective levels through discussions with local employer groups and committees.

Mr. Chairman, time is a premium in this effort. Veterans' organizations can also play a role in public information and outreach through their various publications. But beyond that, many of the organization representatives talk to employer groups and in many cases are employers themselves. We believe that the program should be made as flexible and simple as possible but yet provide the needed accountability.

Much of that goal can be accomplished through the regulatory process. Again, however, caution must be exercised in the regulatory process to make this program easily accessible, useable, and functional without the usual paper excesses.

In conclusion, we again state our pleasure in having the opportunity to appear before you. We assure you of our continued effort to work closely with members of this Committee and the Committee staff as well as those responsible in the Senate and those in the Executive Branch who shall carry out any legislative mandate.

* * *

VETERANS OF FOREIGN WARS OF THE UNITED STATES

OFFICE OF THE DIRECTOR

STATEMENT OF

PHILIP R. MAYO, SPECIAL ASSISTANT
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

H.R. 2355, TO ESTABLISH AN EMERGENCY PROGRAM OF
JOB TRAINING ASSISTANCE FOR DISABLED AND VIETNAM-ERA VETERANS

WASHINGTON, D. C. APRIL 19, 1983

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the opportunity to present the views of the Veterans of Foreign Wars of the United States regarding H.R. 2355, a bill introduced by you, for the purpose of establishing an emergency program of job training assistance for disabled and veterans of the Vietnam era.

Mr. Chairman, we are very pleased that this Subcommittee has taken the initiative to introduce legislation providing for an emergency program of employment assistance for veterans. We agree that such assistance is a national responsibility due to the national service of veterans. We regret that unemployment among Vietnam veterans has reached the point where we must encourage employers through monetary means to hire and train them. Whether or not the language of this measure (or measures before the Senate Committee on Veterans Affairs) survives, the fact remains that the level of unemployment among Vietnam veterans demonstrates the need for such an initiative. This

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initiative, as well as the others, are geared to assisting veterans secure jobs that include a reasonable prospect of continued employment and we wholeheartedly support this concept.

H.R. 2355 proposes the implementation of a program under the auspices of the Veterans Administration, with cooperation and assistance to be supplied in various ways by the Department of Labor. Even though the bill provides that the program shall be one of jobs training, it appears to us that the real lead agency in its implementation should be the Department of Labor. Therefore, language that would accomplish this end is preferred--perhaps even directly interfacing the plan with Title IV-C of the Jobs Training Partnership Act. In this, our view is to insure maximum support for veterans through means that incur the least amount of administrative work and the greatest facility in implementation.

Mr. Chairman, while recognizing the problems inherent in the administration and funding of such a program, we recommend that more liberal criteria be applied with respect to eligibility for the program. Rather than a strict adherence to the requirement that a veteran be unemployed for no less than fifteen of the last twenty weeks (as determined through criteria used by the Bureau of Labor Statistics), we believe eligibility criteria should allow any unemployed veteran, regardless of the time he has been unemployed, to enter this program if he desires. By using the criteria as established by BLS, you bypass some of the most deserving veterans since the BLS does not "pick up" the discouraged worker. We interpret the language of the bill to convey the intent that its major objective is to provide employment opportunities for the unemployed veteran.

In addition, the eligibility criteria enumerated in the bill provide that an additional six months of training assistance is allowable in individual cases at the discretion of the Administrator. It is not clear to us what situations would merit such an extension.

The bill also provides that a job training program must be provided over a period of not less than six months. We would observe that meaningful training programs for veterans may last for a shorter period, and we believe it may be prudent, rather than excluding such jobs from eligibility, to allow some measure of discretion in the application of this restriction.

The measure also contains language providing for payments to employers of up to fifty percent of the amount of wages paid to a veteran and that the employer who hires a disabled veteran is assisted in defraying the costs to eliminate architectural barriers in his workplace. We support the concept of payments to employers to induce the hiring and training of veterans.

As with any program, this proposal also contains provisions that require adequate records to be kept by the employer so that the government may examine them to determine compliance with the terms of the law and regulations. This is indeed proper, however, we encourage you to insure that these records are simple and kept to a minimum to insure that employers will not be discouraged from participating in the program.

Mr. Chairman, H.R. 2355 also generously provides that job training under its provisions may be applied to apprenticeship programs. While we are supportive of this provision, information available to us indicates that most apprenticeship programs run a minimum of 1 year, and generally 3-5 years. Since the language in the bill states time periods to participate in the program are 6 months and 12 months for veterans and disabled veterans respectively, we do not view usage in apprenticeship programs to be very large. This is unfortunate.

Again, Mr. Chairman, we believe the measure before the Subcommittee today, with certain modifications, to be worthy of timely advancement. While our views may appear to be negative in some respects, it is our primary objective to secure the passage of a practical and easily implementable measure, so that we may come before you in 6 months to a year and report to you the successes it has generated. Your continuing efforts to enhance meaningful employment opportunities for veterans are gratefully acknowledged; we intend to work with the Subcommittee and its staff so that success is achieved.

PVA
PARALYZED
VETERANS
OF
AMERICA
CHARTERED BY THE CONGRESS OF THE UNITED STATES

STATEMENT OF

FRANK R. DEGEORGE, ASSOCIATE LEGISLATIVE DIRECTOR

PARALYZED VETERANS OF AMERICA

BEFORE

THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

OF

THE HOUSE COMMITTEE ON VETERANS' AFFAIRS

CONCERNING

H.R. 2355

"EMERGENCY VIETNAM VETERANS JOBS TRAINING ACT OF 1983"

APRIL 19, 1983

Mr. Chairman and Members of the Subcommittee, Paralyzed Veterans of America appreciates your invitation to express its views and concerns pertinent to H.R. 2355, the "Emergency Vietnam Veterans' Jobs Training Act of 1983."

PVA is extremely pleased with the introduction of H.R. 2355. It directly reflects the recognition, concern, and interest of this subcommittee and the Committee on Veterans Affairs in addressing the needs of chronic employment, training and jobs retraining for disabled veterans and veterans of the vietnam war.

We are here today joined in a mutual effort to ensure that Vietnam Veterans and disabled veterans are afforded the employment opportunity they justly deserve. We applaud your activity to champion this unresolved matter of an owed debt to our Nation's veterans by your submission of this needed legislation and your accommodation to conduct this hearing.

The fact remains that 20 years ago marked the beginning of the Vietnam War and 10 years ago its end was declared by Presidential Proclamation. Yet, in this entire period there are enumerable Vietnam Veterans who have not experienced meaningful employment. Of course this only adds to the present day frustration of chronic unemployment that should concern every citizen as it does for those who are without jobs.

The Congress has already deemed it appropriate to take action on the Nation's unemployment problems and has passed the "Emergency Jobs Bill" which has been signed into law by the President. Unfortunately, this law provides no special consideration for veterans. This makes H.R. 2355 all the more meaningful as this Committee has not overlooked the veteran. On April 12, 1983 the Senate Budget Committee approved $150 million in its budget recommendations for the same purpose, as contained in H.R. 2355. It is inspiring to note that Congress is moving ahead and in unison on this matter at this time.

Historically, PVA has advocated the training and employment of veterans, disabled veterans, and, especially in this period, Vietnam Veterans. To the best of our ability, we are willing to assist with any public outreach in a supportive manner with those agencies that will administer this program.

Mr. Chairman, PVA supports the intent of H.R. 2355 and we view any effort to assist Vietnam and disabled veterans in securing meaningful employment as a worthy endeavor. In our review of the "Emergency Vietnam Veterans' Jobs Training Act of 1983," we offer the following comments and proposals in an effort to enhance the efficacy of this program and to ensure the timely provision of services to eligible veterans.

First, it is extremely important that any emergency jobs' training program be enacted and implemented as quickly as possible. Restrictive and ponderous requirements for eligibility for participation in the program by both the veteran and the employer must be minimized. Many potential employers will be small businesses who have neither the financial nor personnel resources to meet lengthy and time consuming application and reporting procedures. In short, an emergency training program must be as streamlined as possible and not be encumbered with administrative procedures, which will hinder the effectiveness of the intended program. The emergency nature of the program must be stressed, if unemployed veterans and potential employers are to be identified and brought together, as expeditiously as possible.

One specific suggestion to facilitate rapid implementation of an emergency jobs' training program is the provision of funds for technical assistance. These funds could be utilized to inform state employment officials and to identify and enlist businesses in program participation.

A second area that needs to be addressed in creating a viable jobs' training program for veterans is provision of resources for relocation. In certain areas of the nation the entire economy is in a depressed state and few, if any, employers would be able to provide training which could lead to the reasonable expectation of employment. This situation is particularly true in regions which have had a heavy reliance on a single industry, such as steel production or mining.

A veteran who qualifies for eligibility under the provisions of H.R. 2355 cannot be expected to have personal resources sufficient to provide for relocation to another area. Fifteen or more weeks of unemployment is financially debilitating, and a veteran who has experienced such unemployment would be in need of assistance. This assistance would be twofold; first, to identify areas where employment opportunities exist and second, financial assistance in relocating to those areas.

A third area that needs to be addressed in creating an emergency jobs' training program relates to the specific needs of certain service-connected disabled veterans. The Veterans Administration is currently conducting an unemployability review of veterans rated 70, 80, or 90 percent disabled and in receipt of compensation at the 100 percent rate by virtue of their unemployability. It seems extremely callous to conduct such a review, and, in many cases, disallow the unemployability determination at a time of unprecedented unemployment. Today, many Americans, whether severely disabled veterans or not, are unable to find employment. While the review certainly may be legitimately motivated, the timing is inappropriate.

PVA believes that (since certain veterans are experiencing reductions in their rate of compensation when they are determined to be employable) special consideration should be provided them in employment-related programs. It is hoped that by your efforts the Veterans Administration, when disallowing a veterans's unemployability, will be directed to provide employment assistance to that veteran. Additionally, PVA trusts that any employment or jobs' training program that is created for veterans will contain specific provisions for any veteran who has been so affected.

Finally, Mr. Chairman, PVA must comment on the provisions of Section 7(a) of H.R. 2355, which allow an eligible employer to defray the cost of making structural alterations to the workplace to assist a disabled veteran in participating in the program. This is a commendable effort on the part of this Subcommittee in recognizing the unique employment needs of certain disabled veterans. Too often a disabled veteran is precluded from gainful employment, not because of his abilities, but because of the physical environment of the workplace.

Section 7(a), if it is to be truly effective, needs to address more than the removal of architectural barriers. Other modifications are frequently required if a disabled veteran is to perform certain job tasks. Included in such modifications are the provision of assistive devices and various other reasonable accommodations to meet the specific requirements of individual disabled veterans.

Mr. Chairman, PVA appreciates your efforts to address the unemployment needs of Vietnam veterans and disabled veterans. H.R. 2355 is a clear indication of this Subcommittee's recognition of the employment problems confronting many veterans. The changes and additions we have mentioned above will improve the proposed "Emergency Vietnam Veterans' Jobs' Training Act of 1983" and will, we believe, enhance the truly emergency nature of this program.

Mr. Chairman, this completes my testimony and I will be happy to answer any questions that I can.

VIETNAM VETERANS OF AMERICA
329 EIGHTH STREET NE, WASHINGTON, DC 20002 • 202/546-3700

STATEMENT OF
RICHARD F. WEIDMAN
VIETNAM VETERANS OF AMERICA
BEFORE THE
SUBCOMMITTEE ON EDUCATON, TRAINING, AND EMPLOYMENT
OF THE
HOUSE VETERANS AFFAIRS COMMITTEE

APRIL 19, 1983

• A not-for-profit national veteran's organization •

Mr. Chairman, the Vietnam Veterans of America is pleased to have the opportunity to present our organization's views on H.R. 2355, the Emergency Vietnam Veterans Job Training Act of 1983. When we appeared before the Subcommittee On Veterans Employment issues held last February we indicated that it was our belief that the on-the-job training program under Chapters 31 and 34 of Title 38 needed to be strengthened through the provision of a reimbursement to participating employers for the initial cost of training. Such a reimbursement system would provide an incentive to employers, particularly in this weak ecomony, who might not otherwise hire a veteran or indeed any other worker. VVA appreciates the efforts of Congressman Leath and the Committee to provide at last, the kind of incentive needed to create new jobs for our unemployed Vietnam veterans.

In considering H.R. 2355, I believe it is important to emphasize that this bill does not create a new job program out of whole cloth. This is not another HIRE initiative. Rather, this bill should be seen as a supplement to the existing on-the-job training program which the Veterans Adminstration is already authorized to administer. VVA is aware of the principal objection to this bill in some quarters of the veterans community: that a veterans job program ought to be administered by the Department of Labor. We believe however, that the Committee has shown considerable wisdom in placing this program in the Veterans Administration.

We believe this program should be administered by the VA for a number of reasons. First, as I have indicated before, H.R. 2355 is not a new jobs program, but simply an extension of the VA's OJT authorization. Second, we believe that the VA is in a much better position to provide for the sound administration of this program than the Department of Labor. The VA has the resources to provide sound fiscal management as well as a detailed accounting of the program's impact. In fact, since this is merely an extension and broadening of the VA-OJT program, the mechanism is, for the most part, already in place at the Veterans Administration. If the program were given to

DOL, there is a serious question about which agency would ultimately administer it. It certainly would not be the Veterans Employment and Training Service, since that entity has fewer than 300 federal employees nationwide. If VETS cannot run the program, a non-federal agency such as the 52 State Employment Security Agencies (SESA's) would be forced to operate it. What effect would that have on the program?

In the first place DOL and the Federal government would lose most of the control over the program. As you know, OMB already has severely restricted program regulations governing the Job Training Partnership Act, and it can be expected that similar restrictions would aply to H.R. 2355. If that is the case, the ability to maintain high program standards, and fiscal and management accountability would be jeopardized. In addition, it is important to keep in mind that SESA's automatically take 6 percent of all grant monies for administative costs, which, in the case of a $150 million program, would amount to $9 million.

Thus VVA would oppose operating this program out of the Department of Labor, at least in terms of its basic administration. We believe that the present joint effort, as outlined in the bill, takes advantage of the strengths of both the DOL and the VA while minimizing each agency's weaknesses.

Finally, we want to express our keen disappointment with the House Budget Committee's decision not to earmark specific funds for this program. We believe that decision to be a mistake, pointing to a continuing insensitivity to the nation's obligation to put its veterans back to work. We urge this Committee to make every effort to restore funding to this program. We also urge the Committee to assure that when and if this bill goes to conference with the Senate, that funding for the program not be diluted to the extent that the program becomes more symbol than real assistance.

Thankyou.

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

by

PAUL S. EGAN, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION

and

JAMES G. BOURIE, DIRECTOR
NATIONAL ECONOMICS COMMISSION
THE AMERICAN LEGION

before the

SUBCOMMITTEE ON EDUCATION, TRAINING & EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

on

EMERGENCY VIETNAM VETERANS JOBS TRAINING ACT OF 1983
H.R. 2355

APRIL 19, 1983

STATEMENT OF

JAMES G. BOURIE
DIRECTOR OF ECONOMICS
THE AMERICAN LEGION

before the

SUBCOMMITTEE ON EDUCATION, TRAINING & EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

APRIL 19, 1983

Mr. Chairman and members of this Subcommittee:

The American Legion thanks you for allowing us the time to present our views on H.R. 2355, the Emergency Vietnam Veterans Job Training Act of 1983. Pertinent resolutions adopted by The American Legion are attached with the request that they be made part of the record.

At the outset, Mr. Chairman, we wish to commend you for the leadership shown in addressing a very serious and pressing issue. Unemployment rates for Vietnam era veterans and disabled veterans are at record levels and exceed that of their non-veterans peers. And unless this matter is confronted in a positive and viable way, we can only expect higher levels of unemployment and more frustration and bitterness on the part of veterans.

The American Legion, as this nation's largest veterans organization, is also deeply concerned over the unemployment problems of veterans. Of twenty-two adopted 1982 Economic Resolutions, sixteen (or over seventy percent) are related to veterans employment training matters. We have made available two new pamphlets "Job Sources" and "Veterans Entitlements in the Job Market", with over 100,000 of each currently distributed. Further, our comprehensive Employment Manual has been revised with thousands being made available to Legion departments and posts as well as individuals outside of the organization. Currently, various states are holding job seminars and other job information programs. Through individual post efforts we have placed thousands of veterans in jobs and have counseled numerous others. Indeed, The American Legion is holding true to one of its founding tenets that no veteran should be without employment.

But we have always looked to Congress and selected government agencies to provide the funds and other resources for broad based veterans' employment training initiatives. As Congress recognized that veterans are a national responsibility, it moved to establish a Veterans Bureau in the Wagner-Peyser Act of 1983. That Bureau has since matured into the Office of Assistant Secretary of Veterans Employment (ASVE) within the Department of Labor (DoL). It is charged by Congress to be the principal advisor on veterans employment training affairs. Further, it is to provide veterans with their first contact at local Job Service offices through a nationwide network of Disabled Veterans Outreach Program specialists and Local Veterans Employment Representatives.

Mr. Chairman, Congress has indeed been receptive to veterans employment problems having enacted various measures which respond to the economic problems of veterans. However, the problem has not been one of legislation, but of implementation and funding. It is only recently that the ASVE has reached a stable level of funding and staffing. Its mission is accomplished in large measure through the State Employment Security Agencies; it has not been administered as a separate and identifiable program. To some extent, this situation has been rectified with the Job Training Partnership Act (JTPA). Under title IV, Part C, there is established a National Veterans Program and given the current formula, approximately $9.3 million will be available for veterans employment training programs in fiscal 84. The American Legion was the first veterans organization to push vigorously for a separate program for veterans in the replacement of CETA. We felt that veterans employment training matters were too vital to be left to chance.

However, Mr. Chairman, the funds allotted to veterans under the JTPA do not in any way equal the magnitude of the problem. At best, those monies are viewed as merely "seed" funds with matching funds from states being anticipated. Solid and responsive veterans employment training programs cannot be initiated without a firm financial commitment.

One of the key elements in this nation's recovery will be skill training and retraining. In the March, 1983 issue of the Small Business Report, it was noted that the training directors of over 200 companies cited the importance of training and retraining and that 80 percent of the directors anticipated a 30 percent increase in their respective training budgets. Further, over three-quarters attributed adequate training to increased productivity and over 90 percent of the directors said that training was essential where new technology was involved.

We therefore, feel that the fundamental idea behind H.R. 2355 is indeed worthwhile and coincides with the desires of business and veterans. The cost sharing of training Vietnam era veterans and disabled veterans would provide an attractive incentive to firms, especially smaller ones as they generate the majority of economic opportunities. But we must be cautious so as not to create disincentives through bureaucratic entanglements and paperwork that would mire the expeditious promotion of this program.

Importantly, Mr. Chairman, we feel that the best agency to promote this type of program is the DoL through the ASVE. It currently has the expertise and staff to administer program outreach because of its close contact with the Job Service in identifying eligible veterans as well as potential employers. Designated states and local Veteran personnel are attuned to the economic needs of their veterans constituency and have access to Job Service records, files and computers. Moreover, Chapters 41 and 42 of title 38, USC, provide the Veterans Employment Training Service (VETS) with specific duties and responsibilities. A program such as the one proposed by H.R. 2355 could be integrated into the existing structure with little difficulty. The VA, on the other hand, would have to establish an entirely new program component dealing with employment training matters: employer identification, veterans outreach and other fundamental areas. We must conclude that the VA is ill-prepared to assume such responsibilities. Officials of the VA freely state that the agency lacks resources, expertise and staff; three necessary elements in any employment training program. It is unlikely that given the current VA budget, resources can be found for such a program. Further, the Vocational Education program, which has On-the-Job-Training (OJT) responsibility, does not possess the needed breadth of expertise and employer community contact as does the DoL.

Nonetheless, the VA could still play a critical and important partnership role in cooperation with the DoL as regard payments, certification, program promotion, referral and other areas. In fact, the foundation for such an agreement was entered into between the VA and DoL in September of 1982. Additionally, the VA is a member of the Secretary of Labor's Committee on Veterans Affairs.

Concerning the technical aspects of H.R. 2355, there should be a greater role for the State Employment Security Agencies for the reason cited previously as well as maximum coordination with the Targeted Job Tax Credit program. Eligibility is one other area of concern as H.R. 2355 is limited to Vietnam era veterans and compensable veterans who have been unemployed for not less than 15 of the last twenty weeks at the time of application. We would suggest that only those veterans who served honorably be eligible as H.R. 2355 makes no provision to exclude less than honorably discharged veterans. We should also like to see the eligibility category expanded to include honorably discharged veterans of all eras with 15 weeks of unemployment; or perhaps targeting Vietnam era veterans and disabled veterans with all other eligible veterans as a second target category.

Mr. Chairman, as with any new program, maximum public relations and public information efforts must be brought to bear. Word of mouth alone will not fully promote an initiative of this nature. Consideration must also be given to special demonstration grants that lead to employment.

To conclude, Mr. Chairman, we feel the best agency to promote such a program as H.R. 2355 is the DoL, through the ASVE, with the VA playing a strong partnership role.

SIXTY-FOURTH ANNUAL NATIONAL CONVENTION
OF
THE AMERICAN LEGION
AUGUST 20-26, 1982
CHICAGO, ILLINOIS

RESOLUTION NO.: 20

COMMITTEE : ECONOMICS

SUBJECT : SEEK APPROPRIATIONS FOR SEPARATE VETERANS EMPLOYMENT/TRAINING PROGRAM TO BE ADMINISTERED BY THE OFFICE OF ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT

WHEREAS, The employment/training needs of all veterans, especially Vietnam era veterans and disabled veterans, are substantially diverse from the employment/training needs of other groups served by current manpower programs; and

WHEREAS, Programs under the Comprehensive Employment and Training Act have never delivered adequate services to veterans despite federal requirements and guidelines; and

WHEREAS, Chapter 41 of title 38, United States Code, provides that the Veterans Employment Service, among other things, is to design and implement veterans employment/training programs; and

WHEREAS, The appropriation of separate funds for the Veterans Employment Service, under the direction of the office of the Assistant Secretary of Labor for Veterans Employment, to design, implement and monitor veterans employment programs would have a profound positive effect on underemployed and unemployed veterans; now therefore be it

RESOLVED, By The American Legion in National Convention assembled in Chicago, Illinois, August 24, 25, 26, 1982, that The American Legion ask Congress to appropriate funds specifically earmarked for the use of the office of the Assistant Secretary of Labor for Veterans Employment to design, implement and monitor manpower training programs to meet the unemployment and underemployment needs of veterans.

SIXTY-FOURTH ANNUAL NATIONAL CONVENTION
OF
THE AMERICAN LEGION
AUGUST 20-26, 1982
CHICAGO, ILLINOIS

RESOLUTION NO.: 25

COMMITTEE : ECONOMICS

SUBJECT : THE OFFICE OF ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT TO AGGRESSIVELY ADDRESS VETERAN EMPLOYMENT/TRAINING MATTERS

WHEREAS, The Office of Assistant Secretary for Veterans Employment of the Department of Labor was legislatively created to address the employment/training needs of veterans; and

WHEREAS, Chapters 41 through 43 of title 38 USC expressly articulate veterans employment training programs as administered by the Veterans Employment Service; and

WHEREAS, Official unemployment figures for veterans far exceed their nonveteran peers in certain age groups and it is generally held that many tens of thousands of veterans are termed "discouraged workers," and are thus no longer actively seeking service; and

WHEREAS, This economic condition has left veterans, especially Vietnam era veterans and disabled veterans, with a feeling of frustration and isolation; and

WHEREAS, The Veterans Employment Service is to specifically administer to the employment/training needs of veterans through established programs and the implementation of new programs; and

WHEREAS, The Veterans Employment Service must take affirmative steps to aggressively address the pressing issue of veteran employment/training matters; now therefore be it

RESOLVED, By The American Legion in National Convention assembled in Chicago, Illinois, August 24, 25, 26, 1982, that The American Legion urge the Office of Assistant Secretary of Labor for Veterans Employment to take a positive and aggressive approach as regard veteran employment/training matters as promulgated by Chapters 41 through 43 of title 38 USC; and be it further

RESOLVED, That The American Legion urge the Office of Assistant Secretary for Veterans Employment to implement innovative and responsive veterans employment/training programs that address the needs of veterans on the local level.

SIXTY-FOURTH ANNUAL NATIONAL CONVENTION
OF
THE AMERICAN LEGION
AUGUST 20-26, 1982
CHICAGO, ILLINOIS

RESOLUTION NO.: 105

COMMITTEE : ECONOMICS

SUBJECT : FULL ENFORCEMENT OF REQUIREMENTS FOR AFFIRMATIVE ACTION FOR ELIGIBLE VETERANS BY FEDERAL CONTRACTORS

WHEREAS, Section 2012 of title 38, United States Code, requires that any private contractor or subcontractor who has a government contract for the procurement of personal property and nonpersonal services of $10,000 or more shall take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era; and

WHEREAS, This federal statute further requires contractors to list "immediately" with the local Job Service office all of its suitable employment openings; and

WHEREAS, Enforcement of this requirement is vested in the Office of Federal Contract Compliance of the Department of Labor; and

WHEREAS, The Office of Federal Contract Compliance has not, in any meaningful and substantive way, enforced the above provisions; and

WHEREAS, There has been, and is, a blatant disregard of the above provisions by both the Office of Federal Contract Compliance and private contractors, thus denying qualified veterans employment opportunities within the private sector; now therefore be it

RESOLVED, By The American Legion in National Convention assembled in Chicago, Illinois, August 24, 25, 26, 1982, that the Office of Federal Contract Compliance and the office of Assistant Secretary of Veterans Employment, U.S. Department of Labor, be required to fully enforce the provisions of Section 2012 of title 38, United States Code, which are intended to help eligible veterans to find employment with contractors having federal contracts; and be it further

RESOLVED, That the office of the Assistant Secretary for Employment be responsible for the administration of Section 2012 of title 38, United States Code, as regard an efficient complaint, reporting, and follow-up procedure.

STATEMENT OF WILLIAM L. HEARTWELL, JR., EXECUTIVE VICE-PRESIDENT, INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES, INC.

On behalf of the members of the Interstate Conference of Employment Security Agencies, Inc. (ICESA), let me express our appreciation for the opportunity to present our views, for the record, regarding H.R. 2355, a bill which would establish an emergency program of job training assistance for disabled and Vietnam-era veterans.

At the onset, Mr. Chairman, we wish to commend you for the leadership that you have demonstrated in addressing one of the most serious problems facing the target groups specified in the bill. Unemployment among Vietnam-era and disabled veterans is at a critically high level, exceeding the rate for related groups in the non-veteran population. Clearly, there is a need now to do more in assisting veterans to receive the kinds of skill training that will eventually lead to unsubsidized employment. While H.R. 2355 recognizes this need, we believe that there is a more productive approach in accomplishing the intended goals than that taken in the bill.

Specifically, H.R. 2355 would place the primary responsibility for program operation and administration with the Veterans Administration (VA). While it is appropriate for the VA to coordinate its activities with and provide support for veterans employment and training programs, it should not function in a lead capacity. The Interstate Conference firmly believes that the Secretary of Labor for Veterans Employment and Training (ASVET) is more appropriately staffed to administer these types of programs and, further, that statutorily the office has been assigned this role by Congress in P.L. 96-466 (dated October 17, 1980), with further legislative support found in Title IV, Part C of the Job Training Partnership Act. Under the leadership of the Assistant Secretary and in close cooperation with the State Employment Security Agencies, a delivery system is already in place for veterans employment and training programs.

For nearly 40 years, federal (ASVET) staff have been working on-site, in each state, in cooperation with the State Employment Service, to serve the employment and training needs of veterans. The State Directors for Veterans' Employment (SDVEs) and their assistants work closely with the State Employment Service (ES) system and, particularly, the nearly 3,600 specialized staff of the ES (Local Veteran Employment Representatives (LVERs) and Disabled Veteran Outreach Program (DVOP) specialists) who serve only veterans. For the most part, these state agency staff are housed in ES local offices where they can initiate outreach activities and utilize the basic services and programs available throughout the ES network of offices.

Over the years, both Federal and State veterans services staff have developed the expertise in areas essential to ensuring that the type of program envisioned in H.R. 2355 will, in fact, have its greatest chance of success. Their vast experience in outreach, assessment, job training referral and employer contact, together with their knowledge and use of state and local employment, training and support programs, is strong justification for placing this proven delivery system in the lead role under this bill. To do otherwise, would create a duplication of service delivery that would be costly, confusing to veterans, and burdensome to employers.

Further, Mr. Chairman, we ask that this Subcommittee give serious consideration to supporting an increase in the level of FY 1984 funds for the ES system above that which has been requested by this Administration. ES staffyears have been reduced 21 percent from the FY 1981 level of 30,000. This reduction has seriously impacted on the ability of LVERs and DVOPs, as well as ASVET staff, to adequately perform their tasks, because of cutbacks that have had to be made in vital ES service areas such as counseling and testing. Without adequate ES resources, Federal and State veterans services staff will not have the necessary tools to effectively serve the veterans' population that require these services. In FY 1982, for example, there was a 36 percent drop in the number of veterans counseled as compared to the previous fiscal year, and during the same period we saw a 19.7 percent reduction in placements, down to 408,000. This can be directly attributed to the staffyear reduction; and without additional staff, this reduced level of services is likely to continue.

The Interstate Conference, therefore, is requesting the appropriate committees of the Congress to increase the allotments to states portion of the ES budget by $113M above the Administration's total ES request of $857.8M. This would add an additional 3,300 staff and put the system on the road to recovery. It is critical for this Subcommittee to realize that it is not enough to budget separately for DVOPs, LVERs and SDVEs; there must be adequate funding of the ES to ensure that these dedicated staff have adequate facilities, services and support systems to help them perform their tasks.

We strongly recommend that the Subcommittee give serious consideration to the issues addressed in this paper. Should there be a need for us to elaborate on a particular area or if we can be of further assistance to you in the development of the legislation, please do not hesitate to contact us.

Again, we thank you for the opportunity to provide these comments.

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